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SAN FRANCISCO AIRPORT COMMISSION

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MINUTES

January 14, 2014
Special Meeting
9:00 A.M.

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Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Special Meeting of January 14, 2014

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I. NEW BUSINESS: 10

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K. CLOSED SESSION: 10

L. ADJOURNMENT: 10

AIRPORT COMMISSION SPECIAL MEETING MINUTES
January 14, 2014

A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of December 23, 2013 were adopted unanimously.

No. 14-0001

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

1. Retirement Resolution - Ms. Myong Koncz

No. 14-0002	Resolution thanking Ms. Myong Koncz of the Facilities/Custodial Services Section for 31 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. John Martin, Airport Director said Ms. Myong Koncz is not here but we want to honor and thank her for 31 years of service.

The Commission congratulated Ms. Myong Koncz on her retirement.

* * *

E. DIRECTOR'S REPORT:

2. Annual Report of Airport Contract Awards to Local and Disadvantaged Business Enterprises for Fiscal Year 2012-2013

Ms. Sandra Crumpler, Manager, Small Business Affairs Office said that this report covers the period of July 1, 2012 to June 30, 2013. The Commission approved over $84 million in contract awards for eight construction contracts, 25 professional services contracts and seven concession leases. The largest contracts were design build services the Terminal 3 Checkpoint for $20 million, and the Airfield Operations facility for $9 million. Of the eight construction contracts, LBE primes were awarded six representing 77% of the total awards and 42% of the total subcontracting dollars went to LBE subs. Of the seven concession leases, three were awarded to small businesses, representing a 43% participation level. These leases went to Triptel Mobile Phone company, a local business, for the cellular phone rental kiosk; Marina's Café, a non-local minority woman owned business operating a coffee shop lease in the Rental Car Center as a small business set aside; and Skyline Concessions, operating a newsstand concession in Terminal 3, Boarding Area E as a non-local minority business. These are significant achievements and represent a collaborative effort among the Design, Construction and Technology Division, the Small Business Affairs office, Revenue Development and Management, and the Contract Monitoring Division, which is the on-site LBE compliance staff. For compliance with LBE/DBE programs, the Contract Monitoring Division monitors all Airport contracts to insure that the small businesses are working on the contracts and are being paid timely by the primes. We have also held several outreach sessions for small businesses to meet Airport staff and to learn about Airport contract opportunities and the contract process. These were included in the October 30 LBE Business Development Workshop held at SFO for 25 women owned businesses. This is a City-wide program for large contracting departments. On December 4 an informational networking meeting was held for contractors and A&E consultants on the Terminal 1 Redevelopment Project. Project Managers gave presentations and over 200 businesses attended the sessions which allowed opportunities for subs to interact with the prime for future contracting opportunities. A copy of the report has been provided for your review and offers a detailed list of the contract awards to all businesses and contractors, including local and small businesses.

Commissioner Crayton said that based on the fact that the City of San Francisco has a 3% minority participation in the African American community, I commend you on your effort to reach out to those who are eligible for an opportunity. I know it's difficult, particularly in compliance areas in terms of having the capital to participate. Are there any other cities that have the same problem in attracting or working with small businesses?

Ms. Crumpler replied that a lot of cities and airports are having the same problem because of the magnitude of the projects. Projects like the Tower are difficult to get African American and other minority participation, but they do participate when we start identifying trades. We monitor contracts to make sure they're still working, and when contract modifications are approved, we make sure the subs are being used on the modifications. We find that a lot of local contractors are coming from around the Bay Area.

Commissioner Crayton said I want to make sure our message is clear and that I'm communicating the right information. I would like to meet with you.

Ms. Crumpler said that the City still has the Surety Bond Program to assist small businesses and we have seen success with small contractors who are now bidding on contracts. That's why we now have LBEs as primes on contracts. They have a track record and financial assistance. When there aren't a lot of large contracts we find the smaller contractors taking some of the smaller work ... $5,000,000 to $10,000,000.

Commissioner Crayton said I'm very proud of what SFO is doing.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. Modification No. 7 (Trade Bid Package Set 6, and Change Orders No. 010, 011) to Contract 9048A - Design-Build Services for Terminal 3 East Improvements - Hensel Phelps Construction Company - $51,936,332

No. 14-0003	Resolution approving Modification No. 7 (Trade Bid Package Set 6, and Change Order Nos. 010 and 011) to Contract 9048A, Design-Build Services for Terminal 3 East Improvements, with Hensel Phelps Construction Co. in an amount of $51,936,332 for a new total contract amount of $101,729,889.

Mr. Geoff Neumayr, Associate Deputy Director, Design, Construction and Technology said that this modification adds Trade Bid Package (TBP) No. 6 in the amount of $54.1 million and Change Order Nos. 10 and 11 in the amount of $1.8 million for a total new contract amount of $51.9 million. Trade Bid Package 6 includes the balance of work required to complete the pre-security restrooms, which include miscellaneous ornamental metals, panning and wall coverings, glass, glazing mirrors, and wall protection work. TBP 6 also includes the temporary airline club and associated infrastructure, mechanical plumbing and electrical low voltage trade packages for this project. In accordance with the Administrative Code, these TBPs were competitively bid to a minimum of three pre-qualified bidders, with the exception of the pre security restroom trade package and the temporary airline club. These packages were negotiated directly with the sub contractor to expedite the work, to provide early delivery and to allow a greater control and involvement for these complex scopes of work. The directly negotiated scopes of work are within the allowable 7 ½% allowed to be directly negotiated per the San Francisco Administration Code. This modification also provides for the approval of Change Order Nos. 10 and 11. Change Order No. 10 in the amount of $272,000 provides for additional design services requested by the Airport after award of the Design Build contract. The additional design services were added as a result of the project programming phase and include additional structure studies related to Boarding Area F, design of the Baggage Handling Sort Allocation Control Room, and other project related design services.

Change Order No. 11 in the amount of $1.5 million is for additional construction service for scopes of work not included within the previous bid packages resulting from further refinement of the design. These scopes of work include protection scaffolding over the Mod. 4 Pedestrian Passageway, temporary HVAC units to allow phased construction to maintain operations, and added terrazzo. Staff forecasts a cost of completion of $189.5 million, including appropriate cost contingencies for this stage of the project. The current cost forecast is 1.3% over the current budget of $187.5 million. Staff continues to work with the Design Build team to develop cost reduction measures including value engineering and scope reduction opportunities prior to continuing past the design development phase and will continue with the scope and budget alignment before moving to the construction document phase. The City's Contract Monitoring Division approved a 22% subcontracting goal for these services and 16% LBE subcontracting goal for construction services. Hensel Phelps has committed to meeting both goals on the total contract amount.

Commissioner Guggenhime said that 5% below the estimate is pretty good.

Mr. Neumayr said on the trade packages, especially when we included electrical.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Modification No. 1 to Contract No. 8594A - Boarding Area 'A' 400 Hertz System Infrastructure Improvements - Schembri Construction Co., Inc. - $1,153,225

No. 14-0004	Resolution approving Modification No. 1 to Contract 8594A, Boarding Area 'A' 400 Hertz System Infrastructure Improvements, with Schembri Construction Co., Inc., in an amount not-to-exceed $1,153,225, and a contract time extension of 120 calendar days.

Mr. Ivar Satero, Deputy Airport Director, Design, Construction and Technology said this item incorporates an additional seven gates into the scope of work and provides for replacement of the gate boxes at those gates. There's a total of 16 gates in International Terminal Boarding Area A that have these systems and to date under this contract we've already replaced the major equipment ... the motor generator units. There's two pieces to this system, the motor generator units and the gate box and we propose to include the scope for those seven remaining gates which are now under the Airport's maintenance responsibility. When we complete the contract, all of Boarding Area A will have a replacement 400 Hertz system. It's been a troublesome system for the Airport and the manufacturer no longer supports the equipment with parts and maintenance, so we are replacing it with a system similar to other Airport systems that we're able to maintain and that has parts that are more readily available. We anticipate that the reliability and maintainability of the system will improve. We are also preparing a follow on contract to replace the gate boxes in Boarding Area G that we'll present for your approval in the next several months. We have negotiated an amount of $1.15

million for this scope of work in comparison to the Engineer's estimate of $1.2 million, and we're proposing to extend the contract by 120 additional calendar days to incorporate the scope of work. Schembri is prepared to honor their original 10.5% LBE participation commitment compared to the overall 10% goal.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

5. Award Contract 9242 - SAFE Identity Management System Software Upgrade, Maintenance and Support Agreement - Quantum Secure, Inc. - $1,165,720

No. 14-0005	Resolution awarding Contract 9242, SAFE Identity Management System Software Upgrade, Maintenance, and Support Agreement to Quantum Secure, Inc., in an amount not to exceed $1,165,720 for a period of three (3) years effective February 10, 2014 - February 9, 2017.

Mr. Jeff Littlefield, Deputy Director, Operations and Security said we are seeking award of Contract 9242 to Quantum Secure, Inc. to provide a software upgrade, which includes maintenance and support of the SAFE Identity Management System. This system is a complex database provided by Quantum Secure that the Security Access Office (SAO) uses to efficiently manage approximately 22,000 employee records and ultimately issue ID badges. It is the backbone of the SAO and provides a critical interface between our physical access control system and Federally regulated employee credentialing records. The software upgrade provides a number of modules that will allow the SAO to better manage various reports which include compliance information, financial reports, watch list, visitor badge accountability, and mobile applications. The software upgrade will also ensure SFO remains at the forefront of automating a very complex badging process by streamlining the steps necessary to obtain a badge, improve customer service, and ensure regulatory compliance. Our current version of SAFE is nearing its end of life, and maintenance support agreements will expire this year.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 6 was removed from the calendar without discussion. The Consent Calendar, Item Nos. 7 through 11, was moved by Commissioner Crayton and seconded by CommissionerStern. The vote to approve was unanimous.

6. Award Contract 9367 - Residential Airport Noise Insulation Construction - G&G Specialty Contractors, Inc. - $839,772

Resolution awarding Contract 9367, Residential Airport Noise Insulation Construction to the responsible bidder with the lowest responsive bid, &G Specialty Contractors, Inc., in an amount of $839,772, and a corresponding contingency of

125,966 for Type 1 Modifications.

7. Modification No. 1 to Smith, Dawson & Andrews Contract No. 8955 - Provide Federal Legislative Advocacy - $400,000

No. 14-0006 Resolution approving Modification No. 1 to the Airport's Federal Legislative Advocacy contract with Smith, Dawson & Andrews to add $400,000 through June, 2015.

8. Modification No. 1 and Exercise the First Option to Contract 8911 - Edelstein, Gilbert, Robson &Smith to Provide State Legislative Advocacy - $230,000

No. 14-0007 Resolution approving Modification No. 1 and the exercise of the first option to the State Legislative Advocacy Contract with Edelstein, Gilbert, Robson & Smith to add $230,000 and extend the contract through June 2016.

9. Authorization to Issue a Request for Proposals for Contract No. 50001, Safety and Health Assessment

No. 14-0008 Resolution authorizing staff to issue a Request for Proposals for Contract No. 50001, for a safety and health assessment, and authorizing staff to enter into negotiations with the highest ranked proposer.

10. Rescission of Resolution No. 13-0244 Adopted on December 3, 2013, Modifying the General Airport Security Services Contract with HSS, Inc.

No. 14-0009 Resolution rescinding Resolution 13-0244 adopted by the Commission on Dec. 3, 2013 which increased the scope of work and added funds to Contract 9240 General Airport Security Services with HSS, Inc.

Commissioner Johns said I'm very glad to see this item on the calendar.

11. Modification No. 1 of FAA MOU No. DTFAWA-13-A-80006

No. 14-0010 Resolution modifying the FAA MOU No. DTFAWA-13-A-80006 by changing the completion date of the Automatic Dependent Surveillance-Broadcast (ADS-B) Radio Station installation in Terminal 2.

* * *

I. NEW BUSINESS:

Discussion only. This is the “Public Comment” section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a “Request to Speak” form located on the table next to the speaker’s microphone and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:20 AM.

Jean Caramatti

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

January 29, 2014
Special Meeting
9:00 A.M.

Room 416 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

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LARRY MAZZOLA
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RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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Minutes of the Airport Commission Special Meeting of January 29, 2014

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F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS;		
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9. Amendment (Name Change) to Resolution 10-0328 - Award Professional Services Agreement for Contract 9015.1 - Master Architect for Air Traffic Control Tower/ Terminal 1 Complex Redevelopment - Howard, Needles, Tammen & Bergendoff (HNTB) 14-0019 11

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AIRPORT COMMISSION SPECIAL MEETING MINUTES
January 29, 2014

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of January 14, 2014 were adopted unanimously.

No. 14-0011

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D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was removed from the calendar.

1. Award of Contract No. 9111A - Ground Transportation and Taxi Management System Infrastructure - Galliera, Inc. dba Trico Construction - $7,719,577

Resolution awarding Contract No. 9111A, Ground Transportation and Taxi Management System Infrastructure, to the responsible bidder with the lowest responsive bid, Galliera, Inc., dba Trico Construction, in the amount of $7,719,577.

Mr. Ivar Satero, Deputy Director, Design, Construction & Technology said we're in the process of implementing a new Ground Transportation and Taxi Management Revenue System to replace the existing obsolete technology and integrate them into a single technology solution. The system allows us to track the movement of the four larger operators at the Airport as well as to manage revenue collection. The program is essential to insure that we're able to collect revenues and that we don't have any disruption due to the obsolescence of the existing system. This contract provides for infrastructure work ... all of the conduit and cabling, the structural supports for installation of the field equipment, installation of the CCTV cameras and procurement of those systems as well as computer and networking systems. We received two bids, with the low bid by Trico Construction at about 18% above the Engineer's estimate. A debrief determined that the higher than anticipated bid is likely the result of inefficiencies with mobilizing and demobilizing 35 different locations. Also, almost 75% of the work will be accomplished at night, requiring setup and takedown of detours. Looking at the numbers we think it's a fair representation of the value of the work and not a high bid just because there were only two bidders. Trico committed to achieving 66.5% LBE participation, well in excess of the 17% goal. We recommend approval.

Commissioner Johns asked to be reminded of the software part of the program and how it integrates into what they're doing now. I recall issues with that end of it. I don't feel the infrastructure will work unless we have a proper program to implement it. I would like some background on it and a reminder of where it is.

Mr. Jeff Littlefield, Deputy Director, Operations & Security said that we're currently working with the contractor to roll out the software piece of it.

Commissioner Johns asked who the contractor is.

Mr. Littlefield replied TransCore is our contractor. They developed the software and we're working on the billing system and some elements of the software that will be integrated with the infrastructure piece of it prior to rolling it out.

Commissioner Johns did not feel the infrastructure could be done until we're absolutely certain of what we're implementing. I recall having questions about this program. They're building the software program for us, correct? It's not an off the shelf software system because it has to be tailored to our needs.

Mr. Littlefield said that TransCore is our software integrator. They're bringing all the pieces of the puzzle together.

Commissioner Johns asked if the pieces of the puzzle are put together. Have we integrated everything? Is the software piece done before we start digging up the ground to put the infrastructure in to make this happen?

Mr. Littlefield replied yes. The software piece of it is developed and we've looked at how it's going to work. We've looked at the piece that will track all of the modes of transportation associated with this and we are ready to align that with the infrastructure piece of it in order to roll this out.

Commissioner Johns said she would like to know more about it before signing off.

Mr. Littlefield said that we can provide more detail.

Commissioner Johns said she wants to feel certain we're not missing something.

Mr. John Martin, Airport Director said that we will remove this from the calendar and provide you with a report prior to calendaring it for the next meeting. I know that Commissioner Mazzola has questions and we can address those as well.

Commissioner Stern asked how many systems like this have been developed that are similar to the one we're proposing to roll out, because that's going to create precedent for the project that we're working on today.

Mr. Littlefield said there's one in Minneapolis that's not identical but it's similar, and they've had some success with it. We took a look at that a while back and there were some lessons learned from that visit that we're incorporating.

Commissioner Stern said I would like to learn more about that.

Mr. Littlefield said we will get you more detailed information.

Commissioner Crayton noted that Phoenix Electric had a 51.72% participation and asked what that looks like

Mr. Satero replied a large proportion of that is through the electrical subcontractor so they're getting the majority of that piece through the electrical work.

Commissioner Crayton asked if it was women participation.

Mr. Satero replied they are an Asian-owned firm.

Commissioner Mazzola said that you and I discussed this a but I want some answers here. Phoenix is a subcontractor for Trico. Phoenix is also the same contractor that was here on a bid that we threw out. He came to the microphone stating that although he bids electrical work he uses laborers at a different rate to do the work. I lectured him and told him that these are skilled trades and we expect to have skilled workers. We don't want your entire crew trained on the job. An apprentice is alright here or there. The Laborers Union Rep, Dave, stood in front of us and said that they all belong to the Laborers union, but none of them are electricians. So here's the deal. I don't understand why we would approve a contract from Trico ... or, Galliera, dba Trico. Why do they have dbas. What are they hiding from the first company? I know we use Trico. We might be Trico's only employer. That's okay if he makes a living from us, providing we get what we pay for. But if we're not getting electrical skill for electrical work, I can't vote for this. I have to vote to throw it out. Trico is the general contractor, but the guys who do the work ... plumber, electrician, steel worker, iron worker, those are crafts that require a certain skill. If you have no training, apprenticeship or anything, you're going to be taught on the job. Phoenix said they take unemployed kids from minority neighborhoods and train them on the job. Okay, but not at the expense of prevailing rate jobs that are supposed to have skill. I can't vote for this. I think we need to throw this out or have Trico tell us who Phoenix is going to use and what their bid was, as well as the bid of the electrical contractor that bid against Phoenix. How much did he get beat by because he couldn't pay the rate that Phoenix will pay? I've been told that we'll do prevailing wage sheets on them, but prevailing wage sheets are only as good as the paper their written on. If you ask some of the workers out there they won't tell you the truth because they'll get fired. I've been in this business over 40 years, so I get it. What I'm saying here today is I've been asked to maybe make amendments to this, that we ask someone to monitor Phoenix. But I think it's all just a lot of smoke and mirrors, so

I'm going to vote no and I'm going to ask the Airport to please ask Trico what are they doing. Are they going to give us skilled work, or do they always give us people who aren't skilled? I've been told that we've never had problems with quality work at the Airport. Who are our inspectors. Who knows about quality work? If you're using unskilled workers, you're not getting quality work.

Commissioner Crayton said it would be useful to have these questions answered. If there are labor issues, we want to deal with them in a straightforward manner

Commissioner Guggenhime wants to do this quickly because this is a very important system. Hopefully, you can answer the questions.

Mr. Satero said the item will be removed from the calendar and we'll work to answer all the questions and return with a recommendation.

Commissioner Johns hoped that the comments won't just be about Trico.

Mr. Martin replied that they won't just be about Trico.

Commissioner Johns said our Chairman has brought this up many times and is a lot more knowledgeable than some of us. I would like to know more about it and make sure that there is monitoring.

Mr. Martin said we'll do a follow up report in between.

Item No. 2 was moved by Commission Cryton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. Modification No. 2 to Contract No. 9230.9 - Construction Management Support Services for Runway Safety Area (RSA) - Parsons Brinckerhoff - $6,000,000

No. 14-0012	Resolution approving Modification No. 2 to Contract 9230.9, Construction Management Support Services for Runway Safety Area Program with Parsons Brinckerhoff, for an increase in the not to exceed amount of $6,000,000 for a new total contract not to exceed amount of $9,880,000, and a six-month contract renewal for services through July 31, 2014.

Mr. Satero said that this item will continue the services being provided by Parsons Brinckerhoff (PB) to support the Runway Safety Area (RSA) program in the amount of $6,000,000, resulting in a new contract value of $9.9 million. It will also provide for a six month time extension to get us through July of this year. PB continues to provide a high level of construction management support on this program, both with expertise of their key personnel as well as their understanding of AIP funded programs. This will continue construction management services that are currently under the base contract. It will also provide for the Departure Metering System (DMS), a new system we think is important to be successful in the RSA programs. Essentially, the DMS provides information to pilots and the

FAA about queuing at the ends of the runways and allows the pilots and the FAA to make decisions on when to allow aircraft to pull back from the gate and taxi toward a runway. It will alleviate congestion that would otherwise occur at the take off end of the 28s. Our simulations and modeling suggest that it does help congestion. DMS has been used successfully at other airports. This will be during the period of the 1-19 runway closure for our 10-28 RSA construction. We continue to forecast an overrun of about $6,000,000, primarily as a result of this Phase II project. It's a complicated, very intense project over a four month 24/7 operation requiring around the clock construction management oversight. PB brings a high level of understanding of FAA documentation requirements on AIP programs and that's what's contributing to much of this. We're coming to you now because in accordance with San Francisco Charter 9118, any contract anticipated to exceed 10 years or $10,000,000 requires Board of Supervisors approval. We have an urgent need to get the DMS in place. We will return in the next three months with a final modification to this contract which will then require Board of Supervisors approval, in compliance with Charter Section 9118. On the overall program we continue to forecast about a $12.7 million dollar overrun of the $214,000,000 program, or around 5%, and we're still working on various ways of bringing that into budget ... cost reduction options with the contractors as well as contingency savings in line with what we've experienced on other contracts. To date, PB has achieved 25% DBE participation against the good faith goal of 10% and against their original commitment of 20%. We recommend approval.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 3 through 9, was moved by Commissioner Stern and seconded by Commissioner Crayton. The vote to approve was unanimous.

3. Award Professional Services Agreement, Contract 8872.9 - Consolidated Administration Campus Program Support Services - HKS Architects - $1,200,000

No. 14-0013	Resolution awarding Professional Services Agreement for Contract No. 8872.9, Consolidated Administration Campus Program Support Services, to HKS Architects, Inc., in an amount not to exceed $1,200,000 for the first year of services.

Commissioner Johns wanted to make sure that the executive offices are going to remain in the International Terminal.

Mr. Satero replied, yes Commissioner, that's correct.

Commissioner Johns noted that in the original plan that wasn't the case. We're moving forward with all of the other support services going to the consolidated campus. Correct?

Mr. Satero said the Commission also expressed concern that staff that have a regular interface with tenants and airlines, so we have made adjustments to the staffing that would go into the long range planning in responsive to the concerns of the Commission. Employees critical to operations, like the Communications center and those folks that relate daily with our tenants would also remain.

Commissioner Johns assumed that there are people in all terminals that are seeing if restrooms are kept clean and how passengers are being served.

Mr. Satero replied, that's correct Commissioner.

4. Modification No. 1 to Contract 8226.9 - Construction Management Services for West Field Cargo Redevelopment Facility, Phase 1 - The Allen Group/ Cornerstone, a Joint Venture - $450,000

No. 14-0014

Resolution approving Modification No. 1 to the Professional Services Agreement, Contract 8226.9, Construction Management Services for West Field Cargo Redevelopment Facility, Phase 1, to The Allen Group/Cornerstone, a Joint Venture, in an amount not to exceed $450,000.

5. Modification No. 7 to Contract No. 8970 - Closed Circuit Television (CCTV) Advanced Surveillance Program - Siemens Industry, Inc. - $154,089

No. 14-0015

Resolution approving Modification No. 7 to Contract 8970, CCTV Advanced Surveillance Program, with Siemens Industry, Inc. in the amount of $154,089 for additional software enhancements, and extending the contract duration by 471 calendar days.

Commissioner Crayton asked when this originally began, as we are now on Modification No. 7?

Mr. Satero said that this has been a long program. The original award was in 2011. The technology part of it has been challenging for us, specifically the user interface piece, and that's what this is about ... to make it a user friendly interface that our Operations folks can get value out of. The system is operational now, it's just not the graphical user interface that I think works well for our people.

Commissioner Crayton asked if Siemens Industry is the right company to be doing that since CCTV is changing very rapidly. Are we going to have to change in a couple of months because of new innovations that are ready to emerge?

Mr. Satero replied I don't think so. This system is pretty advanced and will provide so much more flexibility. It has a lot of the features we've been looking for in camera tracking. Technologically, it will last us for a while.

6. Request for Proposals for Contract 50000 - Zero Waste Solid Waste Management Plan

No. 14-0016	Resolution authorizing the Director to issue a Request fo Proposals for Contract No. 50000, Zero Waste Solid Waste Management Plan.

Commissioner Johns said that zero waste will be great. I remember when we bid this last time we were stuck with a carrier who had to do the separation issue. Is that something the consultants are going to take into consideration?

Mr. Satero replied they will.

Commissioner Johns recalled that we weren't doing separation so we had to go with the current collectors, is that true?

Mr. Martin said they do off-site separation. They've been doing off-site separation for a long time.

Commissioner Johns said that the point is that we should try to do more on-site separation. I know it's hard because of the passengers.

Mr. Martin said that we're always going to want to do off-site as well, but we're going to do as much on-site as we can.

Commissioner Johns wanted to make sure the consultants are aware of these issues.

Mr. Martin ... and the challenges.

7. Exercise the Second and Final One-Year Option Under Bank of America, N.A.'s International Terminal Automated Teller Machines Lease No. 08-0017, for an Option Term from June 24, 2014 through June 23, 2015

No. 14-0017	Resolution exercising the second and final one-year option under Bank of America, N.A.'s International Terminal Automated Teller Machines Lease No. 08-0017, for an option term of June 24, 2014 thru June 23, 2015.

Commissioner Johns asked if the ATM machine fees are the same.

Mr. Leo Fermin, Deputy Director, Business and Finance said the fees remain the same at $1.50 ... well below market.

Mr. Martin ... the lowest around.

8. Modification No. 2 to Continental Airlines, Inc. 2011 Lease and Use Agreement No. L10-0275 to Terminate the Lease

No. 14-0018	Resolution approving Modification No. 2 to the

Continental Airlines, Inc. 2011 Lease and Use Agreement No. L10-0275 which grants an early termination of the lease.

9. Amendment (Name Change) to Resolution 10-0328 - Award of Professional Services Agreement for Contract 9015.1 - Master Architect for Air Traffic Control Tower/ Terminal 1 Complex Redevelopment - Howard, Needles, Tammen & Bergendoff (HNTB)

No. 14-0019	Resolution approving amendment to Resolution No. 10-0328, Award of Professional Services Agreement for Contract 9015.1, Master Architect for Air Traffic Control Tower/Terminal 1 Complex Redevelopment Program from Howard, Needles, Tammen & Bergendoff (HNTB) to Howard, Needles, Tammen & Bergendoff California Architects, P.C.

* * *

G. NEW BUSINESS:
Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

H. CORRESPONDENCE:
There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

(a) Public comment on all matters pertaining to this agenda item.

(b) Discussion and vote in open session pursuant to the Brown Act (California Government Code Section 54956.9 and the Sunshine Ordinance (San Francisco Administrative Code Section 67.10(d)) on whether to invoke the attorney-client privilege and conduct a closed session to confer with legal counsel. ACTION ITEM.

(c) [PROSPECTIVE CLOSED SESSION]
CONFERENCE WITH LEGAL COUNSEL regarding existing litigation (Government Code Section 54956.9(a), and San Francisco Administrative Code Section 67.8(a)(3): *City and County of San Francisco v.AMBAC Financial Group Inc.,* et al., San Francisco Superior Court Case No. 08-480708. Discussion of

possible proposed settlement with defendant Syncora Guarantee, Inc. (formerly known as XL Capital Assurance, Inc.) and resolution recommending approval by the Board of Supervisors. ACTION ITEM.

There are no other planned agenda items for the closed session. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

(d) [RECONVENE IN OPEN SESSION]

(i) [IF APPLICABLE] Report on action taken in closed session required by the Brown Act (Government Code Section 54957.1(a)) and the Sunshine Ordinance (San Francisco Administrative Code Section 67.12(b)).

(ii) Discussion and vote where to disclose any or all discussions held in closed session (San Francisco Administrative Code Section 67.12(a)). ACTION ITEM.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:44 AM.

Jean Caramatti

Jean Caramatti
Commission Secretary

SAN FRANCISCO
AIRPORT COMMISSION

MINUTES

February 18, 2014

9:00 A.M.

8/14

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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Minutes of the Airport Commission Meeting of February 18, 2014

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AIRPORT COMMISSION MEETING MINUTES
February 18, 2014

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of January 29, 2014 were adopted unanimously.

No. 14-0021

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

1. Proposed Fiscal Year 2014/15 and FY2015/16 Operating Budget

No. 14-0022	Resolution approving the proposed FY 2014/15 Operating Budget of $902.8 million and FY 2015/16 Operating Budget of $930.4 million.

Mr. Leo Fermin, Deputy Director, Business & Finance said this item presents a proposed operating budget for the next two years. If you refer to the summary table showing as Attachment One to the memorandum, I'll walk you through the highlights in each budget category. Bottom line, the total budget increases by 5.1% in the first year, from $859,000,000 to $903,000,000. In the second year, the increase is 3.1% from $903,000,000 to $930,000,000. Looking at the first category at the top, Salaries and Fringes in year one, we propose to add 35 new operating positions which are described on Page 2 of the cover memorandum. There are also 27 construction and project management positions that are listed in the operating budget that are actually paid for through the Five Year Capital

Plan. We are also making 41 position substitutions to adjust our workforce to changing needs. For year two, we propose to add 22 new operating fund positions and 13 capital funded construction and project management positions. These are described on Page 4 of the cover memorandum. Total salaries and fringe benefits will increase by 4.7% in year one, and then 1.7% in year two. To put this in perspective, looking at the ten year period since 2006, passenger enplanements have grown 28%, and over the same period our staff head count has increased 11%. The next category, Non-Personnel Services, shows a decrease of $1.5 million in year one. This is because this coming May, we will discontinue the shuttle bus service between Terminals 1 and 3. This service costs $3.5 million annually and is included in the Professional Services line item. While we save $3.5 million for the busing, collectively other expenses in this category such as a Parking Management Contract and Free Carts in Customs, increased by a total of $325,000. For year two, the largest increases are $3.5 million in maintenance services equipment. This increase is for cyber security, the secure area network, and upgrades to our free public wi-fi system. In the next category, Materials and Supplies, is increasing by $2 million in year one, primarily because of the need to purchase replacement parts for elevators, escalators and moving walks. For year two, an additional $260,000 is budgeted. The next category, Equipment, increases by $2.6 million in the first year because of the need to purchase vehicle information technology equipment, electric vehicle charging stations, ride-on sweepers and scrubbers, and the replacement of an explosive ordinance disposal robot. Then in year two, there is a $612,000 decrease due to less information technology equipment being requested, and fewer vehicles in need of replacement. The $25.5 million decrease in debt service in year one is composed of a number of things. First, there's a $12.3 million increase for the Terminal 3 East project and the renovation of Boarding Area E, the full service starts to come online. There's also $2 million provided for anticipated commercial paper issuances for projects under construction, and finally there's $11.2 million for scheduled increases in the previous master plan bonds and the Terminal 2 bonds which were issued several years ago. Finally, for Light, Heat and Power we're budgeting a $2.5 million increase in year one, and $1 million increase in year two due to anticipated rate increases. Last year we provided the airlines with a rather extensive five year projection of cost per enplanement. This two year budget is in line with those projections.

Commissioner Johns asked for an explanation of what is meant by staffing substitutions to different positions.

Mr. Fermin replied that sometimes we'll have a Civil Service class budgeted in a certain section and for a number of reasons the job duties may shift and H.R. determines that a different Civil Service class is more appropriate for that position given the changing nature of the duties. For instance, you might have a clerical 1446 and if more responsibilities are added it might be necessary to substitute the 1446 up to a 1450, a higher class, or a position might be downgraded.

Commissioner Johns asked if the cost would increase or decrease.

Mr. Fermin said it could decrease if the substitution is downward.

Commissioner Johns ... two new curator positions are being added to the Museum budget. I love the Museum, I love what they do and the art collections. How much does the entire Museum operation cost us per year? It doesn't make any money for us, it simply enhances our Airport?

Mr. Fermin said I don't know that figure off the top of my head ... about $25 million a year. That includes a lot of contracts, it's not just staffing.

Commissioner Johns said it's the cost of keeping the Museum operation going.

Mr. Fermin replied that's correct.

Commissioner Johns said I was looking at our debt service and noticed that it's almost half of our budget.

Mr. Fermin said that's correct. That's been the case for the last 10 years.

Commissioner Johns said I was thinking of areas that would help pay off some of that debt service, and $25 million a year ...

Mr. Fermin said our debt service going forward will start to diminish in the next five years or so. The amount of principle outstanding will slowly start to come down and because it's scheduled to decrease over time that gives us the ability to issue new bonds for the new Capital program and backfill in years where the debt service decreases such that our overall costs are not impacted significantly.

Commissioner Johns said I don't see it going down much because we still have a lot of projects coming online that will take bonds to finance.

Mr. Fermin replied that's correct.

Commissioner Johns said I'm always looking to see where we can save.

Commissioner Crayton said I'm not sure about the cost for using the Museum or the proposed plan that was put in place.

Mr. Fermin said that we have expanded facilities now. We have a new Terminal 2 and new Boarding Area E, as well overtime. We'll be renovating Terminal 1 and Concourse B as well, so there will be additional exhibition spaces in the future. The workload is actually increasing.

Commissioner Crayton asked if the exhibition spaces are the responsibility of the Airport.

Mr. Fermin replied yes.

Commissioner Crayton asked if we recover that revenue.

Mr. Fermin said that it's recovered through rates and charges. We pass the cost onto the airlines.

Commissioner Johns asked if they know that.

Mr. Fermin replied they do.

Commissioner Crayton asked if they bring in enough to cover those activities.

Mr. Fermin said that in the aggregate, what we bring in total revenues overall covers all of our expenses.

Mr. Tr McCoy, Chief Operating Officer said that the Museum is a huge commitment for us. We're the only Airport in the United States that is an accredited Museum. However, it's not just the Aviation Library and Museum, it's all the exhibits in the Airport. They put on 40 different exhibits per year. So, there's transportation cost ... sometimes we fly in an exhibit from a foreign country so it is a big financial commitment, but we feel strongly about it.

Commissioner Johns said that there are now two new staffing positions. I took a tour of the operation and it's quite commendable, but I think at some point we really need to look at what it costs to keep it going. I know there was some talk of selling off some of these things because most of our exhibits are curated from other areas. We have a huge warehouse of items but I don't know the value and I don't know if there's an inventory or a cost basis. I think $25 million a year is a lot of money and we should look at it in terms of our overall expenditures.

Commissioner Guggenhime said that this budget has been vetted thoroughly by the Executive Committee and been approved by the Airport's Advisory Committee which includes people outside the Airport, correct?

Mr. Fermin replied yes ... Mon e Zmuda, Deputy Controller for the City, Jack Tama y, a Wall Street Senior Banker, Nadia Sesay, Director of Public Finance for the City, and Vicky Wilcox, a private Investment Banker.

Item Nos. 2 and 3 were called together. They were moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Fiscal Year 2014/15 Five-Year and Ten-Year Capital Plans

No. 14 023	Resolution (1) approving the $2.5 Billion Five-Year Capital Plan and $4.4 billion Ten-Year Capital Plan for FY2014/15 to FY2023/24, and (2) authorization to seek up to $2.4 billion in capital supplemental appropriations for projects funded by bonds, and capital annual appropriations of $41.0 million in FY 2 14/15 and $30.0 million in FY 2015/16 for projects funded by grants and the operating budget.

Mr. Fermin said that Item 2 is the annual revision to our Five and Ten Year Capital Plans, and Item 3 establishes the financing mechanism. Last year you approved a $2.1 Billion Five-Year Plan and $4.1 Billion Ten-Year Plan. The Five-Year Plan totals $2.5 Billion and the Ten-Year totals $4.4 Billion. Staff estimates that the Five-Year Plan will create over 18,000 jobs and the Ten-Year Plan over 31,000 jobs. The increase in the Five-Year Plan reflects the addition of several new projects and the acceleration of the Boarding Area B renovation with 24 gates. Last year this project was scheduled for completion in 2021, and now it is scheduled for completion 2019. Also, completed projects have been removed from the plan. New projects being added include the AirTrain extension to Lot DD, this is an $85 million project which will extend the AirTrain to the long term garages. The Terminal 3, Boarding Area F Plaza improvements is $48.2 million, and will involve seismic upgrades, new concession spaces, and the upgrade of finishes. The South McDonnell Road realignment is $32.2 million, and will create additional aircraft parking positions, and the Southfield Plot 700 Redevelopment Project have a combined cost of $60.1. These two projects are precursors or enabling projects to allow for the construction of the new Boarding Area B.

3. Amendment of Prior Resolutions to Authorize an Additional $3.55 Billion to Aggregate Principal Amount of Airport Revenue Bonds to Finance Capital Projects in the Airport's FY2014/15 Five-Year Capital Plan; and Related Actions

No. 14-0024	Resolution adopting the 17th Supplemental Resolution amending prior resolutions to authorize an additional $3.55 billion principal amount of Airport Capital Plan bonds to provide long-term financing for capital projects in the Airport's approved Capital Plan.

Mr. Fermin said that this item is a 17th supplemental resolution to the 1991 Master Bond Resolution. It's the umbrella resolution authorizing issuance of bonds for the Capital Plan. With this umbrella resolution in place, we will return in the future for authorization to sell each increment of bonds through sale resolutions. It has been reviewed and approved by the Airport's Financial Advisory Committee. Previously, under the 13th and 16th supplemental resolutions, you authorized a total of $1.22 billion in bonds for the Capital Plan. Of this amount, only $144 million remains unissued which is insufficient to finance our new capital program. Authorization to sell the bonds for the Airport Hotel is not included in this 17th supplemental. That will be presented to you separately next month together with other approvals and findings necessary to commence the Hotel project.

Commissioner Crayton asked if the Advisory Committee approves this before it's recommended to the Board of Supervisors.

Mr. Fermin replied yes.

Commissioner Crayton asked who is on the Advisory Committee.

Mr. Fermin replied Jack Tamagny, a Wall Street Senior Banker, Monique Zmuda, Deputy City Controller, Nadia Sesay, Director of Public Finance, and Victoria Wilcox, a private Investment Banker.

Commissioner Crayton assumed that we don't foresee any problems at this point.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Authorization to Accept and Expend Federal Aviation Administration Grant Funds in the Amount of $70,000,000 for an Airfield Improvement Project under the Runway Safety Area Program

No. 14-0025	Resolution authorizing the acceptance and expenditure of FAA Grant Funds in the amount of $70,000,000 for an Airfield Improvement Project under the Runway Safety Area (RSA) Program.

Mr. Ivar Satero, Deputy, Design and Construction said that this grant supports the implementation of the Airport's RSA Program. In 2013 we completed the Phase I construction work which brought the 10-28 runways into full compliance with Federal requirements. In January of this year, the Commission awarded the Phase II construction contract to bring the 1-19 runways into compliance with a schedule to complete by November of this year, about a year in advance of the Federal deadline. Under the Phase II scope of work, we will be installing four Engineered Material Arresting Systems (EMAS) at the end of each runway. These systems were procured under a separate sole source contract approved by the Commission in the amount of $36 million. That, combined with the award of the Phase II work in the amount of $87.4 million in January, is the total cost of the Phase II construction implementation. So, this grant of $70 million will support the implementation of the Phase II work and provide for a large share of the funding. The budget is $214 million. Our current forecast at completion is $226 million, so we're about 5% over budget and we continue to work on opportunities to bring the budget down, through cost reductions in the Phase II construction, as well as an anticipated underspend of our contingency budget. The grant amount will allow for $70 million of reimbursement as well as an additional amount, with your authorization, of up to 15% based on FAA approval.

Commissioner Crayton asked if we expect any problems in receiving the $70 million grant.

Mr. Satero replied that we think we'll be successful.

Commissioner Crayton asked if we have a contingency plan.

Mr. Satero said that the Capital Plan has a budgeted amount in it but it would come out of other sources of the Capital Plan and that might necessitate some shifting of amounts to make that happen.

Item No. 5 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

5. Authorization to Implement the Redevelopment of Terminal 1/Boarding Area B; Authorization to Issue a Request for Qualifications/Proposals for Contract No. 10010.41 - Boarding Area B Reconstruction Project Management Support Services, and for Contract No. 10011.41, Terminal 1 Center Renovation Project Management Support Services

No. 14-0026	Resolution authorizing the implementation of the redevelopment of Terminal 1/Boarding Area B and authorizing the Director to issue a Request for Qualifications/Proposals for two contracts: Contract No. 10010.41, New Boarding Area B Reconstruction Project Management Support Services and Contract No. 10011.41, Terminal 1 Center Renovation Project Management Support Services. This activity is within the scope of the San Francisco International Airport Master Plan Program approved by the Airport Commission on November 3, 1992. The Master Plan EIR prepared for the Master Plan Program adequately described this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA)

Mr. Geoff Neumayr, Design and Construction said this item authorizes the Airport to proceed with the implementation of the redevelopment of Terminal, 1 Boarding Area B, and for authorization to issue two requests for qualifications/proposals for project management support services, one for the Terminal 1 Center Renovation, and the other for the Boarding Area B Reconstruction. Terminal 1, Boarding Area B Redevelopment was approved by the Commission in 1992 as part of the Airport Master Plan. A program Environmental Impact Report (EIR) for the Master Plan was certified by the San Francisco Planning Department Office of Environmental Review prior to adoption of the Master Plan by the Commission. An addendum to the EIR was prepared in October 2007 by the Office of Environmental Review to evaluate certain modifications to the Terminal 1, Boarding Area B project as well as the recently completed Terminal 2, Boarding Area D project. The addendum concludes that the projects are within the Master Plan EIR and that no additional environmental review is required for the redevelopment of Terminal 1 Boarding Area D. Attached to your Commission package is the summary of those environmental reviews and findings. The Terminal 1 Boarding Area B Redevelopment is analyzed in the EIR as a project for administrative purposes. Airport staff has organized the project as a program and it now includes multiple design and construction projects. Two major components of that program include the redevelopment of Terminal 1 Central Area and the reconstruction of Boarding Area B. The renovation of Terminal 1 Central includes a new architectural skin, a building expansion, mechanical, electrical and plumbing replacement, a seismic retrofit, new ticket counters, consolidated security checkpoint, and a common use baggage handling system. Reconstruction of Boarding Area B includes demolition of the existing Boarding Area B and construction of approximately 500,000 square feet, 24 gate boarding area which will include international arrivals swing gates. Both of these projects will be managed by a fully integrated team of Airport staff and consultant personnel. The Airport seeks to hire two Project Management support service contracts to provide services and assist the Airport with project planning, design management project controls, construction management, and inspection for design and construction. The duration of both contracts is estimated to be 72 months, with an estimated cost of $17 million for the Terminal 1 Center Renovation, and $23 million for the Boarding Area B Reconstruction. The request for qualifications and proposals will contain minimum qualification requirements to assure appropriate technical skills given the size and complexity of both of these projects. A selection committee will be convened to evaluate and score the technical content of the proposals that meet the minimum qualifications, and develop an initial ranking. The Airport will invite the highest ranked proposers to interview with the selection committee. Based on the selection committee's evaluation and scoring of the technical proposer's interviews, Staff will develop a final ranking and select the two highest ranked firms. One firm will be assigned the renovation of Terminal 1 Center and the other the reconstruction of Boarding Area B. Staff will negotiate with the highest ranked firms. Should negotiations fail, Staff will negotiate with the next highest ranked proposers until negotiations are successful with the two qualified firms. Upon successful negotiations, Staff will recommend award of Terminal 1 Center Renovation and Boarding Area B Reconstruction Project Management Support Services. The Airport will encourage the teams to enter into prime level joint venture and joint associations with small local firms and LBE firms. Staff will also work with the City's Contract Monitoring Division to develop an LBE sub-consultant participation program.

Commissioner Johns asked to be reminded of the timeline. The sooner Terminal 1 gets done, the better. I can't remember the timeline for the whole project.

Mr. Neumayr said that the initial gate openings will be around the 2nd quarter of 2019, with the remaining gates coming on line at the beginning of 2020.

Commissioner Johns said it can't be soon enough.

Item No. 6 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was 4-1, with Commissioner Mazzola casting the dissenting vote.

6. Award of Contract No. 9111A - Ground Transportation and Taxi Management System Infrastructure - Galliera Inc., dba Trico Construction - $7,719,577

No. 14-0027	Resolution awarding Contract No. 9111A, Ground Transportation and Taxi Management System (GTMS) Infrastructure to the responsible bidder with the lowest responsible bid, Galliera Inc., dba Trico Construction, in the amount of $7,719,577.

Mr. Satero reminded the Commission that this item was removed the calendar at the last meeting. I must apologize, there was insufficient context in the original memo at the last meeting for you to understand the breath of the program scope and we revised the memo accordingly. In summary, the first contract award occurred in 2012 for the technology piece supporting the GTMS/TMS program. It was executed with Trans Core for the material system delivery scope of work which includes equipment and transponders as well as the technical design of the software and hardware piece. We brought in Trans Core early on in the program to get that design down so it would conform the infrastructure design. There's really those two major pieces ... the technology piece by Trans Core and the infrastructure piece which is designed by Airport Staff. This is the contract that implements the infrastructure piece, and this infrastructure piece has been designed in close coordination with the Trans Core piece. The Trans Core piece defines coverage areas and conduit requirements, structure type mounting requirements and those types of things which would then be incorporated by Staff into the design of the infrastructure piece. So, what we have in this proposed award is the installation of the equipment ... all of the conduiting, electrical wiring, and telecommunications infrastructure as well as the CCTV system to support the license plate recognition piece of the program. We completed the design, based on the Trans Core requirements, we prepared the bid documents and we received two bids on this contract. There was a second concern expressed by the Commission about the tracking of prevailing wage. We're going to implement new processes in this contract to ensure that we get the quality of the work that we desire, that wages are paid for the appropriate work, and that worker safety is maintained throughout the implementation of this project. We will do certain things, including pre-construction identification of activities and trades performing those activities. We'll also ramp up the field monitoring during construction and work with the contractor in a partnering way to have access during construction to the field personnel. I think it's also appropriate to add an end of project closeout, to also have a lessons learned, and a check-in on the project with the employees and ensure that all of the proper procedures were followed. Trico has committed to achieving 66.5% LBE participation against the goal of 17%. We're estimating that we currently, because of the situation with the current system and component failures, were losing up to $1.2 million a year with this system as it is so it's important that we proceed with this program.

Commissioner Stern said that the implementation process is 420 days ... can you help me understand the breakout of that process from a time series and then at what point are you going to get to user acceptance testing to make sure the system is validated and working.

Mr. Satero replied that there is a transition from the legacy system in the next eight months. Full implementation will occur in July of 2015, and user acceptance will occur after July 2015. It's in that 1½ year timeframe with the contractor on board that we get to full implementation by mid to latter part of next year.

Item No. 7 was moved by Commissioner Crayton and seconded by Commissioner Stern. The vote to approve was unanimous.

7. Modification No. 2 to Contract No. 8994 - Staff and Manage the Airport's Curbside Management Program - FSP PPM Management, LLC - $4,794,000

No. 14-0028 Resolution approving Modification No. 2 to Contract

8994 with FSP PPM Management, LLC to staff and manage the Curbside Management Program commencing July 1, 2014 thru June 30, 2015, in an amount not to exceed $4,794,000 for the option period, for a new total contract amount not to exceed $19,861,000.

Mr. Jeff Littlefield, Deputy Director, Operations & Security, said the Airport is requesting approval to exercise Modification No. 2 Contract No. 8994 with FSP PPM Management, LLC to staff and manage the Curbside Management Program. Modification No. 1 is set to expire on June 30, 2014. As you're aware, the Airport has contracted its Curbside Management Services to FSP PPM since January 2011. Their responsibilities include staffing and managing the daily dispatching of taxi trips departing the Airport, monitoring and maintenance of the Airport's Taxi Revenue System, staffing and managing the rotation and curb coordination of shared-ride vans, and monitoring the limousine zone as part of the Airport's limousine enforcement effort. The annual budget for 2014/2015 is $4,794,000. This represents a 3.7% increase year over year from 2013/2014 to accommodate changes, increases in pay and medical insurance rates which were included in their collective bargaining agreement. This amount does not include a monthly cost of approximately $200,000 which is paid by ten shared ride van operators who each pay a percentage of this amount based on the number of trips they operate in order to staff these zones. FSP PPM has satisfactorily managed and staffed all aspects of the curbside management program during the initial term of the contract and we're pleased with their overall performance.

Commissioner Johns said I think I remember in the budget that was submitted to us earlier today that there are a couple of positions that we're adding related to this. Correct?

Mr. Littlefield ... specifically to Five Star?

Commissioner Johns said no, specifically to Curbside Management.

Mr. Littlefield said there are some positions related to GTMS, but not necessarily related.

Commissioner Johns asked what is GTMS?

Mr. Littlefield replied Ground Transportation Management System.

Commissioner Johns asked what they would do. What are those positions in the budget that are related to Ground Transportation Management.

Mr. Littlefield said there's a position that works directly with Trans Core to manage all of the software, the expectations that we have in terms of performance for this system. That position reports to our Landside Unit.

Commissioner Johns said that it was more than one position.

Mr. Fermin said there are also positions being added to police the network transportation companies ... all this new shared ride activity that's coming on to the Airport like Uber and Lyft.

Commissioner Johns said then it's not just for this.

Mr. Fermin replied that it's for other Landside activities.

Commissioner Johns said its separate money for coordinating or policing.

Mr. Fermin added that it's policing these new forms of transportation.

Commissioner Crayton asked what FSP PPM stood for.

Mr. Littlefield said it used to be Five Star Pacific Park Management but they went through a change and it's actually the letters versus the name.

Commissioner Crayton asked if that's a minority company.

Mr. Littlefield said that there are minority participants within that firm.

Mr. Ray Sloan, Ride Share Association, asked that this item be postponed until the owners, drivers and stakeholders could sit down with the company. I sent a letter in 2007 when DAJA had the contract and asked the same thing. Since 2012 the cost has gone up 500%. The cost to run the curb coordination keeps accelerating to where it's driving people out of business. I gave you a copy of an analysis that one of the companies did and its based on the Leigh Fisher report. A few years ago you appropriated $180,000 for the Leigh Fisher report. It was never made public. There's been a preliminary report and supposedly because of the new rideshares (we are the original rideshares), they're not releasing this report and it seems to me that this report was suppose to give an entire analysis for the shuttle rideshare businesses and other transportation and how it integrates with the whole Airport situation. There are a lot of critical issues and unlike what Jeff has just reported, we have serious misgivings about Five Star. First of all, Five Star was awarded the contract and then it immediately went to this other company, which I find really irregular because they didn't get vetted. I would just ask, as I did in 2007, that staff sit down with the owners, drivers and stakeholders in the shuttle business. The rideshare shuttles subsidize the curb coordination to an incredible amount. The shuttle company is being charged $11 to go through the Airport, the taxis are charged $4 of which $2 is returned to the system. We can't just keep ratcheting up these costs and then kick the can down the road. (See attachments)

Commissioner Mazzola asked Mr. McCoy if he would meet with Mr. Sloan. Ray, that's not the only thing that's gone up since 2007. Everything has gone up. The whole world has gone up since 2007.

Commissioner Johns ... and more competition.

Commissioner Mazzola said we will address it and we will talk to you. We're not taking this item off the agenda.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 8 through 12, was moved by Commissioner Crayton and seconded by Commissioner Stern. The vote to approve was unanimous.

8. Assignment and Assumption, and Modification No. 2 to Contract 8998 - Operation and Maintenance of the Baggage Handling System in Terminal 2 - Siemens Industry, Inc. - $1,251,016

No. 14-0029	Resolution approving assignment and assumption of Contract No. 8998, Operation and Maintenance of the Baggage Handling System in Terminal 2, from Siemens Industry, Inc. to Siemens Postal, Parcel & Airport Logistics, LLC, and approve Modification No. 2, exercising the second of three one-year options for a total amount not to exceed $1,251,016, for a new total contract amount not to exceed $7,313,855.

9. Authorization to Accept and Expend California State Coastal Conservancy's Climate Ready Grant - $200,000

No. 14-0030	Resolution authorizing the Airport to accept and expend a Climate Ready Grant for conducting a sea level rise vulnerability assessment of San Bruno Creek and Colma Creek from the California State Coastal Conservancy in the amount of $200,000.

10. High Speed Electric Vehicle Charging Grant Application and Pilot Program

No. 14-0031	Resolution authorizing staff to accept and expend grant funding of up to $272,000 from the California Energy Commission through the Bay Area Air Quality Management District, and initiate a pilot project for the operation and maintenance of 480V DC electric vehicle fast chargers with Zeco Systems Inc. dba Greenlots, subject to approval by the Purchaser, for a term of two years at a cost not to exceed $45,000.

11. Reject all Bids - Contract No. 9367 - Residential Airport Noise Insulation Program, 2012-2014 Phase, and Authorization to Rebid

No. 14-0032	Resolution rejecting all bids for Contract No. 9367, Residential Airport Noise Insulation Program, and authorization to rebid this project as Contract No. 9367R, Residential Airport Noise Insulation Program, 2012-2014 Phase.

12. Reject all Proposals for Professional Services Contract No. 9251 - Asset Management Plan and Services

No. 14-0033	Resolution rejecting all proposals for Professional Services Contract 9251, Asset Management Plan and Services, due to a change in priorities with other projects in support of the Airport's 5-Year Capital Improvement Program.

* * *

G. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

Ms. Sharon Caldwell, Secretary, Association of Flight Attendants, Council 11 in San Francisco. I'm here to update the Commission on the status of the merger and how it affects United Flight Attendants in San Francisco and system-wide. The promise of the merger at United Airlines has been broken after testifying before Congress that there will be minimal impact on employees. United has significantly reduced the subsidiary United Flight Attendant workforce and hiring on the subsidiary Continental side of the operation. Almost four years after the announcement of this merger, United is once again asking or forcing a reduction of an additional 1,950 Flight Attendants on the subsidiary United side. When we signed our collective bargaining agreement in February 2013, we acknowledged we were over by 2,100 Flight Attendants and that was satisfied in the collective bargaining agreement with the reduction of 1,520 Flight Attendants. But again, United is asking for a reduction of another 1,950 Flight Attendants, even though they signed the Agreement that we will no longer be harmed and it's been satisfied. United is once again asking or forcing a reduction and this continuous workforce reduction is once again on the United side. We satisfied a reduction through collective bargaining ... a reduction of approximately 1,300 Flight Attendants and we do have a no involuntary furlough clause in our contract. United is laying off or firing Flight Attendants, once again on United's side, and there is disparate treatment between the subsidiary United and subsidiary Continental. We've come to update the Commission on the status of the merger. Even though we are flying under the name of United Airlines we are two operations when it comes to the Flight Attendant side. A promise has been broken and the real and permanent solution to this would be for United Airlines to resolve this by negotiating a permanent agreement so that we can merge both work sites.

Commissioner Guggenhime ... so as I understand it, United is being forced to layoff Flight Attendants.

Ms. Caldwell replied they're not being forced. In our collective bargaining agreement we have ways to mitigate the overage.

Commissioner Guggenhime said that Continental is hiring, they're not just moving Flight Attendants. You have two separate union contracts, right?

Ms. Caldwell said they are moving Flight Attendants. We have three separate contracts and they're moving Flight Attendants from the United side to the Continental side, if you choose to move to the Continental side and start all over again at the bottom of seniority.

Commissioner Guggenhime asked if this would be without your tenure and at a different, lower scale.

Ms. Caldwell replied yes.

Commissioner Johns asked if any Continental Flight Attendants have moved to the United side. Was there some sort of an agreement signed at the beginning of the merger or throughout where you all received information as to how the progression would take place for Flight Attendants, or does your union agreement cover that?

Ms. Caldwell said our union agreement covers this. We are currently in negotiations with United Airlines to merge our contract. We're starting all over ... no one has ever merged three unions so we are taking it slowly.

Commissioner Crayton ... three unions.

Ms. Caldwell replied Continental and Continental's separate workforce that works outside the country, and the United Flight Attendants. We're merging three unions, three different work groups, three different work conditions ... we're doing that and working with the company. We do have provisions in our contracts against furlough and we addressed the overage of 2,100 Flight Attendants with a reduction of 1,520 Flight Attendants when we amended our contract in February 2013. This was taken care of, it's in our contract. Now United says they need 1,950 more people and we will take them from United. If you don't accept voluntary furlough, which is in our contract, then you will be involuntarily furloughed, or, you can work on the Continental side under Continental rules as a new hire. We do go over with our pay seniority, but everything is about seniority in the airlines and the work seniority has you on the bottom of the list working whatever is left, wherever they tell you to go.

Commissioner Mazzola said your union signed an agreement that lowered the workforce by 2,100, then you finished with 1,500 something.

Ms. Caldwell said the signed agreement said no involuntary furlough. You'll mitigate that by offering leaves, voluntary furlough. We have enough people that mitigate it.

Commissioner Mazzola said you agreed to 2,150 but you only did 1,500.

Ms. Caldwell said a permanent 1,520 left the company through early out and some did want to work on the Continental side.

Commissioner Mazzola said that United agreed that was enough. Correct?

Ms. Caldwell replied no. The company agrees it's not enough. They've come up with another number, outside of the system.

Commissioner Mazzola said that it seems to me they can only come up with a number that goes back to 2,150, they can't come up with 1,900 more. If they now want 1,900 more, isn't that a breach of the contract? Did the union file a grievance or breach?

Ms. Caldwell said you fly now, grieve later. We have to go along with it but we filed a grievance.

Commissioner Crayton asked if it's another 630.

Ms. Caldwell said the old number has been satisfied with voluntary furlough. Now we have 685 people that will lose their jobs if they choose not to start over at Continental.

Mr. Scott Rothstein, President of the Machinist, Local 1782. I represent all of United's public contact employees at SFO. There are a couple of areas where the company is treating its employees disparately. The first issue is regarding healthcare. We ratified a contract last November. That contract was intended to bring all employees from both United and Continental subsidiaries together with the same work rules and benefits. As part of that contract we agreed to pay a higher percentage of our healthcare cost, but the contract itself is required to comply with the San Francisco Airport QSP. This was going to create a special open enrollment, which is actually going on this week. When it opened we were surprised to find that instead of one Kaiser option for the HMO that complies with the QSP, there were two. One was labeled as Continental, and one was labeled as United. The Continental option is the one that complies with the QSP, the United option does not. We believe the prices are different and the plans are different. Since at SFO there's far more United employees than Continental, we believe it's intended to obfuscate and to trick United employees into signing up for an inferior plan that's going to cost employees more money and save the company more money. We've also discovered that when a United employee signs in to look at their benefits, and a Continental employee signs in to look at their benefits, which theoretically should be the same under this contract, the pricing is different for the two Kaiser plans and the Aetna PPO options, depending on which subsidiary you come from. That creates a real problem. The other issue is badging. I've worked for United Airlines at SFO for over 16 years. There has always been a practice that United will accommodate you on company time to get or renew your badge. Either that was done during your work hours or if you're shift was outside of the Airport badging hours, your shift was moved for a day or for whatever was required in order to get your badge on company time. As of January 1, the company changed its policy and is requiring everyone to do it on their own time. That's never been done before. We have reached out to other hub stations and found that none of them require an employee get badged on their off hours. And it's not even being applied to all employee groups. I'd like to give you an example of one employee. United has always encouraged us to renew our badge at the beginning of the 30-day window, to get it done and be in compliance. In this case, the employee worked a rotating schedule. This employee was working a 7:30 am to 4:00 pm schedule which meant she was always on shift at the time the badging office was open, and she had weekends for a few weeks. One supervisor actually instructed her to wait two weeks to start the process until she had a single day off on a Friday, regardless of whatever she may have going on in her personal life, and force her to do it on her time off rather than make any accommodation to get it done on her work schedule.

Mr. Whitfield McTair, United Service Workers, West, said alot of our workers, our members have two jobs at the Airport. To have employees do their badging on their own time is an economical hardship because that means that they literally have to take time off from one of their jobs in order to do the badging. There will be a trickle down affect ... we're already seeing that happen because it's taking place at AirServ where they've been told that United is not going to pay them to allow their employees to go get badged. So, if AirServ takes it, we see this going out to Prospect, PrimeFlight, and all the other companies which don't pay the greatest of wages. They pay decent wages but not the greatest and their employees are now having to take vacation time that they worked for in order to get their badge to work at your Airport. This is going to be an economic hardship for a lot of our people because they simply can't afford not go to work. These people come to work sick and now they're going to be forced to take time off just to get a badge to go to work. We feel that this needs to be addressed.

Commissioner Crayton asked how much time it takes to get badged.

Mr. Rothstein ... I recently had my birthday and got my badge done and it took me nearly hours ... I had to take 3 tests. If you have an employee who works two jobs and they're both part time, they may need to be working that 2nd job for two or three hours and can't afford to take time off. That's 3 hours worth of pay that they could lose ... or they might have to burn vacation time.

Commissioner Crayton asked if there is anything within your contract that talks about the badging process.

Mr. Rothstein said I'm a former United employee and this has never been done before, even when I worked for Covenant. Every employer told you your badge is getting ready to expire, go get it taken care of. They never said to do it on your own time, it was always part of their job.

Commissioner Crayton said so there's nothing mentioned in the contract at all.

Mr. Rothstein replied nothing in the contract because it was always done by the employers. They always allowed you to get your badge done.

Commissioner Mazzola said that he understood that United is going to request badging on employee time, but who is the subcontractor?

Mr. McTair replied Air Serv.

Commissioner Mazzola ... and United is going tell the subcontractor to have their employees badged on their own time.

Mr. McTair replied from what we've been told. United told them they're not going to be reimbursed for badging.

Commissioner Mazzola said that changes things, too

Ms. Shelley Kessler, Airport Labor Coalition, said you're getting a quadruple hit from labor but you should hear the various issues that are coming up, the badging issue, in particular. Airport workers come from nine contiguous Bay Area counties. I just got badged myself and it took 3 hours. For those of us who have to get multiple badges or different levels, it takes a lot of time and it's never happened on your own time. United has told you it's their policy, this is what we've been doing. It's not true. I've had people call across the nation to find out what happens at different hubs ... has United implemented a process by which people get badged on their own time. They have found nowhere, not even on the Continental side, where this is taking place. We also have situations where people work more than one job, where they have childcare issues, or transportation issues. Just take United, where all you have right now is a Service Agent, and the AirServ people who have to get their badging on their own time, now the Flight Attendants, the Pilots, any of the mechanics. It's disparate treatment for two groups to roll this out to see if it will work. Our position is that it won't. Imagine thousands of just United employees going to the badging office. Consider AirServ and other third party contractors or other airlines also telling their people that they have to get badged on their own time ...and it isn't even open 24/7. These people already work very difficult hours with all kinds of people walking through the door ... construction workers or anyone who needs a badge. This practice isn't normal, it's not enforced anywhere else in the nation, it will create an incredible hardship at the Airport, regardless of who requires it ... TSA, FAA, SFO, it doesn't matter. No one works on that property without a badge and everyone needing a badge has to go through a process that takes hours. They have to be tested, photographed, sometimes they have to go more than once. We're concerned about this practice. It's not a matter of telling United how to operate. We're seeing, as you heard from previous speakers, that United is starting to roll out a variety of different proposals and plans that impact folks. This needs to be addressed because it will roll out to every other employee at the Airport if we allow it to go forward.

Commissioner Crayton asked what happens to a new employee under badging.

Ms. Kessler replied that new employees have to get badged, fingerprinted, and FBI background checks, so if they are not yet on the clock they go on their own time. But I have to say that I don't know this for every single employer on the property. There's no way for me to know, especially if they're not union employers, whether or not this is a requirement. Tryg or Jeff may know this, but I personally don't know.

Mr. McTair replied that he did not know what's happened since January, but it's always been handled in their first week during orientation.

Commissioner Mazzola said that we have no direct contract with these employers to do this or not do this. I understand you've written a letter to them already saying you're not pleased. Is that right?

Mr. McCoy replied that's correct ... Jeff Littlefield wrote the letter.

Commissioner Mazzola said you wrote a letter saying this is something we rather you didn't do. Can you tell us what the letter said?

Mr. Littlefield said that Shelley approached me with some of her concerns. I meet with Mike Hannah, Managing Director, periodically and I shared with him these concerns. He told me he'd look into the current practices ... perhaps they've changed at the various hubs throughout United's system. He explained the position he was taking locally regarding employees getting badged on their own time. I wrote a letter that expressed the Airport's feeling about that and asked him to reconsider it.

Commissioner Mazzola said that's our first step and he's going to get back to you on that? Was there ever a response?

Mr. Littlefield said he responded verbally, not in writing. He told me that was the position they had chosen to take.

Commissioner Mazzola said I'm trying to think where we can help and I think we should try to speed up the process. We don't have a contract with these people so it's our problem. But badging is about safety and safety is policy of the Airport, not so much policy of vendors, it's policy of the Airport. It's Policy of the City in a fashion that we provide safety for the traveling public through our Airport. Can we pass a resolution saying that all vendors have to have their people badged? Maybe they're newly badged on their own time, but when they are renewed, it's on company time and not employee time. I don't know if we can pass a resolution or not, but will you look into it?

Mr. McCoy said that we can also take our letter beyond the local Station Manager. We know folks at United Airlines.

Commissioner Mazzola said the safety issue is very important.

Mr. McCoy replied I think you're right. That is our number one concern.

Ms. Kessler said that there are legal implications for disparate treatment.

Commissioner Guggenhime said I probably fly more than anybody else here. You get United flight crews and pilots, some are integrated, some are not. United flight crews are clear that if they go to Continental, they'll have to start over again. Not that we have any influence, but I'd like to know to the extent that we can weigh in on that. United has been a major hub in San Francisco and this is turning into Continental, not United. When you make more money, you reduce cost. How do you reduce cost? You get rid of people who make too much money. I don't want to see that happen because that relates to safety and everything else, and people have given their lives working.

Mr. McCoy suggested that we report back to you at the next Commission meeting on what we think the next steps are. I'm also concerned about the one comment about the insurance packages not meeting QSP requirements. That's something else for us to look into. Why don't we report back to you at the next meeting.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:07 AM.

Jean Caramatti

Jean Caramatti
Commission Secretary

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* * *

J. ADJOURNMENT:
There being no further calendared business before the Commission the meeting adjourned at 10:07 AM.

Jean Caramatti

Jean Caramatti
Commission Secretary

April 25, 2007

RAY SLOAN&ASSOC.
PUBLIC POLICY ADVOCACY

San Francisco Airport Commission
Larry Mazzola
President
San Francisco International Airport
San Francisco, CA 94128

Dear President Mazzola and Commission Members

Item 7

May I respectfully request that you delay action on ~~item~~ 6. Modification No. 2 to the Curbside Management Program Contract No. OPS PS 05-8363 with DAJA International, LLC $3,215,706, and give drivers and owners of shuttle companies the opportunity to work out the serious challenges that have been raised regarding this contract.

After the meeting of April 3, 2007 I requested that the Deputy Airport Director of Operations Tryg McCoy meet with me, and owners and drivers, that have concerns as to the Curbside Management. Mr. McCoy states in his Notice to Upper Level Door-to-Door Permittees that "Curbside Management is essential to the smooth and orderly operation at the curb." We concur. Treating individual companies and drivers fairly and equitably is the most important aspect for a healthy Airport Shuttle Service. We believe that there are issues which should be addressed before this contract is issued.

I will be representing M & M Shuttle, American Shuttle, Quake City Shuttle, and Bay Shuttle. Other companies, including Door-to-Door Express will have independent representation.

Respectfully,

Ray Sloan
120 Willow Street
San Francisco, CA. 94109

Feb, 18, 2014

7 Mod. No 2 Contract No 8994

April 25, 2007

RAY SLOAN&ASSOC.
PUBLIC POLICY ADVOCACY

San Francisco Airport Commission
Larry Mazzola
President
San Francisco International Airport
San Francisco, CA 94128

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May I respectfully request that you delay action on ~~item~~ 6. Modification No. 2 to the Curbside Management Program Contract No. OPS PS 05-8363 with DAJA International,LLC $3,215,706, and give drivers and owners of shuttle companies the opportunity to ~~work~~ out the serious challenges that have been raised regarding this contract.

After the meeting of April 3, 2007 I requested that the Deputy Airport Director of Operations Tryg McCoy meet with me, and owners and drivers, that have concerns as to the Curbside Management. Mr. McCoy states in his Notice to Upper Level Door-to-Door Permittees that "Curbside Management is essential to the smooth and orderly operation at the curb." We concur. Treating individual companies and drivers fairly and equitably is the most important aspect for a healthy Airport Shuttle Service. We believe that there are issues which should be addressed before this contract is issued.

I will be representing M & M Shuttle, American Shuttle, Quake City Shuttle, and Bay Shuttle. Other companies, including Door-to-Door Express will have independent representation.

Respectfully,

Ray Sloan
120 Willow Street
San Francisco, CA . 94109

Feb, 18, 2014

7 Mod. No 2 Contract No 8994

AMERICAN AIRPORTER SHUTTLE
120 WILLOW STREET SAN FRANCISCO, CA 94109 (415) 202-0733 PHONE (415) 202-0726 FAX

September 6, 2013

Commissioner Larry Mazzola
President, SF Airport Commission
P O Box 8097
San Francisco, CA 94128

Dear Commissioner President Mazzola,

We are writing to protest the outrageous fees we have been forced to pay to continue our business at SFO. Since 5 Star took over curb coordination for the door-to-door share ride shuttles in January 2011, our fees have been regularly increased and our passenger counts have dropped.

This past January our fees for curbside management increased 49.5%! Both the airport and Leigh Fisher, the company who completed the independent study, state the AVI system used to calculate these fees is unreliable and antiquated. In addition, this does not take into account whether our vans are sent back to staging without boarding any passengers, which happens frequently. SuperShuttle vans do not leave staging unless there are passengers waiting at the terminals – their vans never leave the airport without passengers. SuperShuttle and GoLorries fees average $2 - $3 per passenger while American can pay $ 8 - $ 10 per passenger. Taxis leaving SFO pay a $4.00 exit fee a nd the driver can collect half of that from the passenger. The share ride vehicles are better for the environment than taxis as these vehicles can transport more passengers at one time and reduces the traffic congestion at the airport

Rental car agencies pay 10% of their net income plus $25 per vehicle rented. SFO recently filed a lawsuit against SideCar and Uber wanting 10% of the passenger fare.. Why do transportation companies operating at SFO pay an average 10% of their income from airport business and American Airporter Shuttle pays over 50%? American pays over $ 30,000 each month in fees to operate at SFO. In addition we are paying a company that is in complete control of the number of passengers our vans board. Even when our customers prepay their reservation they have trouble boarding our vans. Our customer told us the coordinator told her it was his job to keep her from boarding the American van waiting at the curb. Time after time our drivers complain that are discriminated against by the coordinators.

American's costs have also increased due to the CNG requirement to be 100% clean air vehicles to continue conducting business at SFO. We have purchased 20 brand new CNG shuttle vans at a cost of over one million dollars. We used to pay $20,000 for the Flex Fuel vans and now have had to pay $60,000 for each CNG vehicle. VPSI, a van pool service, transports thousands of people around the country everyday using low emission, ULEV and Flex Fuel vans. These vans are not 100 % clean air but are still considered green vehicles

AMERICAN AIRPORTER SHUTTLE
120 WILLOW STREET SAN FRANCISCO, CA 94109 (415) 202-0733 PHONE (415) 202-0726 FAX

San Francisco Airport has tried many times over the past 20 years to reduce the number of share ride companies operating at SFO. Each time an RFP has come up, it has been shot down for one reason or another. Since they have been unsuccessful with RFPs, they are attempting to put such a financial burden on us they are succeeding in reducing our numbers

We suggest the curb and loop fees be eliminated for the share ride companies and a booth be put up at the airport exit. Each van will stop and pay a flat fee - $1.00 per passenger, for example – upon exiting airport. Passengers should be allowed to board any van regardless of color to ensure all vans depart the airport filled to capacity. The airport should support and assist small businesses to prosper and coexist with the larger companies. In the United States, the majority of jobs are created by small businesses.

The need for change is clear and changes have to made immediately to prevent any of the share ride small business companies from being put out of business due to these outrageous fees being imposed upon us. We respectfully request your serious consideration regarding these issues and we hope that you can make these changes for the sake of the small businesses in San Francisco.

We thank you for your time and prompt attention to this matter

Respectfully submitted,

Philip Achilles
President

SFO

San Francisco International Airport

December 30, 2010

NOTICE

TO: Upper Level Shared-Ride Permittees

SUBJ: Curb Allocation Coordination Costs Effective 01/01/2011

As indicated in a December 10, 2010 Notice, FSP PPM Management, LLC (aka Five Star) will be the new curbside management contractor with San Francisco International Airport effective January 1, 2011. Shown below is the monthly curb coordination cost allocation that will become effective January 1, 2011. The total monthly cost for the curbside management program for the shared-ride industry is $117,992. Airport staff recalculated the monthly cost to reflect the actual cost amongst the eleven existing operators.

The allocation percentage is based on outbound trips from the Airport only (using September 2010), using AVI data from the Staging Lot for the time-period between 8:00 a.m. and 11:59 p.m. Trips for all operators logged through the Staging Lot after the curb coordination program has ended operation for the day (between Midnight and 7:59 a.m.) have been deducted from the AVI Staging Lot totals.

The percentages shown below reflect these calculations taken strictly off the AVI readers.

Allocation of Curb Coordination Cost

Company	% of Total Trips*	Monthly Costs
Advanced	5.50	$6,485
Airport Express	5.44	$6,414
American Airporter	12.29	$14,496
Bay Shuttle	3.15	$3,713
Go Lorrie's	13.19	$15,565
Pacific Airport Shuttle	3.85	$4,547
Peter's Airport Shuttle	3.07	$3,628
Quake City	3.23	$3,806
SF City Shuttle	6.25	$7,376
South & East Bay Shuttle	3.85	$4,547
SuperShuttle	40.18	$47,415
Total	100.00	$117,992

* Percentage of trips from Staging Lot between at 8:00 a.m. and 11:59 p.m.

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

GAVIN NEWSOM *MAYOR* LARRY MAZZOLA *PRESIDENT* LINDA S. CRAYTON *VICE PRESIDENT* ELEANOR JOHNS RICHARD J. GUGGENHIME PETER A. STERN JOHN L. MARTIN *AIRPORT DIRECTOR*

San Francisco International Airport

NOTICE

August 31, 2011

TO: Upper Level Shared-Ride Permittees

FROM: Jeff Littlefield

Shown below is the monthly curb coordination cost allocations that will become effective September 1, 2011 and October 1, 2011 (page 2), respectfully. The total monthly cost for the curbside management program for the shared-ride industry effective September 1 is $152,061. This represents the actual monthly cost of operating the contiguous zones, including Terminal 2. The total monthly cost for the curbside management program for the shared-ride industry effective October 1 is $186,361. Airport staff recalculated the monthly cost to reflect the actual cost amongst the eleven existing operators which includes the costs of operating separate zones at Terminals 1 and 3 and the contiguous zones at Terminal 2 and the International Terminal. It also includes $18,180.33 to recover previously uncharged operating costs resulting from the opening of Terminal 2. This additional amount will be included in the monthly costs through June 2012. The monthly costs will be reallocated based on updated trip percentages beginning in January 2012.

The allocation percentage is based on outbound trips from the Airport only (using May 2011), using AVI data from the Staging Lot for the time-period between 8:00 a.m. and 11:59 p.m. Trips for all operators logged through the Staging Lot after the curb coordination program has ended operation for the day (between Midnight and 7:59 a.m.) have been deducted from the AVI Staging Lot totals.

The percentages shown below reflect these calculations taken strictly off the AVI readers.

Allocation of Curb Coordination Cost Effective September 1, 2011

Company	% of Total Trips*	Monthly Costs
Advanced Airport Shuttle	5.10	$7,757
Airport Express	4.38	$6,661
American Airporter	13.54	$20,595
Bay Shuttle	4.03	$6,122
Go Lorrie's	12.04	$18,302
Pacific Airport Shuttle	2.22	$3,381
Peter's Airport Shuttle	2.93	$4,450
Quake City	5.92	$9,000
SF City Shuttle	5.22	$7,931
South & East Bay Shuttle	4.09	$6,222
SuperShuttle	40.54	$61,639
Total	100.00	$152,061

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

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Allocation of Curb Coordination Cost Effective October 1, 2011

Company	% of Total Trips*	Monthly Costs
Advanced Airport Shuttle	5.10	$9,507
Airport Express	4.38	$8,164
American Airporter	13.54	$25,241
Bay Shuttle	4.03	$7,503
Go Lorrie's	12.04	$22,430
Pacific Airport Shuttle	2.22	$4,143
Peter's Airport Shuttle	2.93	$5,454
Quake City	5.92	$11,030
SF City Shuttle	5.22	$9,720
South & East Bay Shuttle	4.09	$7,626
SuperShuttle	40.54	$75,543
Total	100.00	$186,361

* Percentage of trips from Staging Lot between at 8:00 a.m. and 11:59 p.m.

Representatives of FSP PPM will meet with all permittees' to adjust the security deposit as required. Landside staff will continue to closely monitor the Staging Lot reader counts. Please do not hesitate to contact Dan Pino at (650) 821-6514 if you have any questions about the allocation.

Jeff Littlefield
Associate Deputy Airport Director
Operations - Airport Services

cc: Laura Rigney, FSP PPM

San Francisco International Airport

NOTICE

December 31, 2012

TO: Upper Level Shared-Ride Permittees

FROM: Jeff Littlefield

Shown below is the monthly curb coordination cost allocation that will become effective January 1, 2013. The total monthly cost for the curbside management program for the shared-ride industry effective January 1 is $191,360. This represents the actual monthly cost of operating the four shared-ride zones. Airport staff recalculated the monthly cost to reflect the actual cost amongst the ten existing operators.

The allocation percentage is based on outbound trips from the Airport only (using November 2012, AVI data from the Staging Lot for the time-period between 8:00 a.m. and 11:59 p.m. Trips logged through the Staging Lot after the curb coordination hours (between Midnight and 7:59 a.m.) have been deducted from the AVI Staging Lot totals.

The percentages shown below reflect these calculations taken strictly off the AVI readers.

Allocation of Curb Coordination Cost Effective January 1, 2013

Company	% of Total Trips*	Monthly Costs
Advanced Airport Shuttle	3.83	$7,320
Airport Express	4.24	$8,121
American Airporter	14.53	$27,811
Go Lorrie's	12.38	$23,695
Pacific Airport Shuttle	1.71	$3,278
Peter's Airport Shuttle	2.57	$4,916
Quake City	2.75	$5,256
SF City Shuttle	4.31	$8,255
South & East Bay Shuttle	3.29	$6,300
SuperShuttle	50.38	$96,408
Total	100.00	$191,360

* Percentage of trips from Staging Lot between at 8:00 a.m. and 11:59 p.m.

Representatives of FSP PPM will meet with all permittees' to adjust the three-month security deposit as required. Landside staff will continue to closely monitor the Staging Lot reader counts. Please do not hesitate to contact Dan Pino at (650) 821-6514 if you have any questions about the allocation.

Jeff Littlefield
Deputy Airport Director
Operations and Security

cc: Cary Burnett, FSP PPM

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO
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LARRY MAZZOLA PRESIDENT
LINDA S. CRAYTON VICE PRESIDENT
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN
JOHN L. MARTIN AIRPORT DIRECTOR

Based on November 2012 trips

Jul-12

Nov-12

	AVI Report 23 Trips	AVI Report 6 Trips	Total Trips	% of Trips	Cost Allocation	Cost Increase		% of Trips	Cost Allocation
Advanced Airporter	603	-	603	3.83%	$ 7,320	-9.04%		4.38%	$ 8,047
Airport Express	670	1	669	4.24%	$ 8,121	-13.62%		5.12%	$ 9,401
American Airport Shuttle	2,338	47	2,291	14.53%	$ 27,811	49.54%		10.12%	$ 18,598
GoLorrie's	1,959	7	1,952	12.38%	$ 23,695	-2.21%		13.19%	$ 24,231
Pacific Airporter	271	1	270	1.71%	$ 3,278	-48.58%		3.47%	$ 6,374
Peter's Airport	406	1	405	2.57%	$ 4,916	1.16%		2.64%	$ 4,860
Quake City	434	1	433	2.75%	$ 5,256	-3.18%		2.95%	$ 5,429
SF City	684	4	680	4.31%	$ 8,255	16.97%		3.84%	$ 7,057
South & East Bay	531	12	519	3.29%	$ 6,300	-24.89%		4.56%	$ 8,388
SuperShuttle	9,353	1,411	7,942	50.38%	$ 96,408	5.49%		49.73%	$ 91,394
	17,249	1,485	15,764	100.00%	$ 191,360	$ 191,360	100.00%	100.00%	$ 183,779

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Curbside Operations – Curbside Coordination Fee Cost Allocation

Opportunities for Improvement

The Cost of Coordination

- The curbside coordination fees are a significant expense for the companies and drivers
- The increase in fees and reduction in number of permittees has placed a large burden on some companies and drivers *(a)*
- While most companies agree that the curbside coordinators are helpful, many feel that they do not receive enough benefit from the coordination to merit the costs they are paying
- Additionally, many drivers noted that the coordinators often are directing passengers to other transportation modes, rather than just coordinating van service

Alternative Cost Allocation Methods

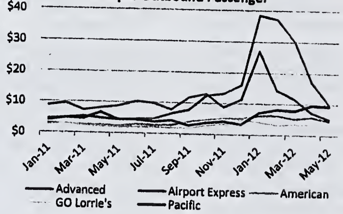
When the current fees are calculated on a per passenger basis, it is evident not only that some companies pay much greater fees than do others, but that the fees are unsustainable relative to the amount of revenue received from each passenger.

For example, GO Lorrie's, South & East Bay, and SuperShuttle pay less than $5 in coordination fees per passenger, while Advanced, Pacific, Peter's, and Quake City pay $10 or more per passenger. With fares that are generally between $13 and $17, the coordination fee is more than half of the amount received, leaving little revenue for the drivers.

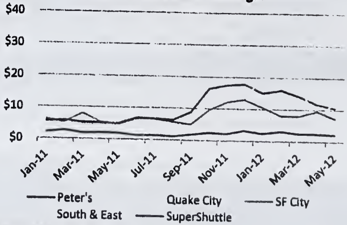
Additionally, at times the coordination fee per passenger has risen above $17 per passenger for several companies, resulting in more money being spent on coordination fees than earned from a passenger's fare.

Smaller companies perceive that their fees are helping to subsidize SuperShuttle's costs since the coordination fees are allocated based upon trips not customers, their vans often exit with fewer customers than SuperShuttle's, and their curbside coordinators have different tools and responsibilities.

Fees per Outbound Passenger



Fees per Outbound Passenger



Source: LeighFisher, based on coordination fee data and company reported trip data provided by Airport staff.

(a) Bay Shuttle ceased operations in April 2012. Since the moratorium was implemented in 1993, the number of permittees has decreased from over 20 to 10.

AMERICAN PAYS $11
PER PASSENGER

5. Analysis of Existing Operations

Airport Staff Responsibilities – Business Perspective

The Airport has permitted some permittees to operate differently than others

Key takeaways

- The current system has stunted growth opportunities for all companies except SuperShuttle
- The companies who are most limited are those in the yellow zone

An Uneven Playing Field

Variations in curbside allocations and crosswalk locations give an advantage to certain zones.

For example, the lack of a crosswalk at the red zone at Terminal 1 results in almost no walk-up passengers, as on-demand passengers are intercepted by the coordinator at the blue or yellow zones first.

Opportunities for Growth

- A pre-reserved passenger base is difficult to grow for companies in the yellow zone since the current system provides for either poor customer service (a 35-minute wait between van rotations) or lost revenue (taking a single passenger only)
- Increasing the fleet size is difficult for yellow zone companies if they wish to allow their drivers to maintain their current earnings since the number of outbound fares each driver receives is limited by the seven-company rotation and more vans would result in longer waits and fewer fares for each driver

SuperShuttle's Advantages

The current system provides advantages for SuperShuttle in terms of efficiency of operations and the quality of service provided to customers.

SuperShuttle	Other Companies
Own zone	Shared zone
Flexible routing, may recirculate to terminals	Prescribed route, no recirculation or deviation
Ability to separate passengers by destination	No ability to separate passengers by destination
If no passengers are present, vans can remain in hold area	If no passengers are present, vans must still rotate through terminals
At the international Terminal, coordinator calls dispatch if a van is not already waiting	At the intl Terminal, customer is assigned to the next zone in rotation if a van is not present
Coordinators use company provided Nextel radios, tablets and coding	Requests for approval of a handheld device were denied
20 minutes time limit not well enforced	20 minutes time limit strictly enforced
Outbound passenger counts obtained from SuperShuttle's system	Outbound passenger counts provide by FSP, an independent source

1. Summary

Perceived Preferential Treatment of SuperShuttle

SuperShuttle, which serves over half of all customers, is allowed to operate differently than the other permittees

SuperShuttle vans may recirculate, unlike other vans.

- Yellow and Red zone drivers must circulate among the four terminals in a prescribed order, can only remain at each of the four terminals for five minutes, and cannot recirculate
- SuperShuttle vans – which have the exclusive use of the Blue zone – are allowed to recirculate among the terminals as long as they exit within 20 minutes

The Airport's costs of the curbside coordinator service are allocated among the 10 permittees based upon the number of van trips exiting the hold area.

- ***Fees based upon hold area exits, not customers.*** Yellow and Red zone vans must frequently exit with only two, one, or even no passengers; and drivers are charged Airport curbside coordinator fees whether they exit with a full load or no passengers. Thus vehicle trips do not accurately indicate the business volume a permittee conducts at the Airport or the benefits received. While the number of van customers would be a better metric, currently there is no irrefutable method for recording outbound shared-ride customers.
- ***Role of Blue zone curbside coordinators.*** The curbside coordinators at the Yellow and Red zones act as enforcement officers and ensure vans do not overstay the prescribed time limit. In contrast, the Blue zone curbside coordinators effectively serve as extensions of SuperShuttle staff. Using computerized tablets provided by SuperShuttle, they are able to communicate directly with SuperShuttle's reservation and dispatch centers, assign customers to geographic zones, and direct customers to the correct van.
- ***Resulting increased load factors and revenues.*** SuperShuttle vans are likely to exit with more customers **than Yellow and Red zone vans because of the coordination facilitated** by the curbside coordinators' use of company-provided tablets (not practical where multiple companies share a zone) and their ability to recirculate and pick-up additional passengers.
- ***Perceived subsidization of SuperShuttle.*** The smaller companies perceive that their fees are helping to subsidize the costs of SuperShuttle, since the curbside coordination fees are allocated based upon trips not customers, their vans often exit with fewer customers than SuperShuttle's, and their curbside coordinators have different tools and responsibilities.
- ***Fluctuation and allocation of curbside coordination fees.*** Since the curbside coordination fees are re-allocated once every six month, the fees charged small operators can fluctuate dramatically if just a single vehicle is added to or removed from their fleet. The operator incurs the new fees for six months although the fees may be based upon their control of a larger fleet.

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

March 4, 2014

9:00 A.M.

5
2
4/14

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

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President
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Airport Director

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SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of March 4, 2014

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Regular meeting of February 18, 2014	14-0034	4
D.		SPECIAL ITEMS:		
	1.	2013 William R. O'Brien Award for Employee Excellence - Tryg McCoy	14-0035	4-6
	2.	2013 SFO Team Recognition Service Aware 10-Year Capital Plan and Financial Outlook Team	14-0036	6-7
	3.	2013 SFO Service to Communities Award - Disability Awareness Training Video Production Team	14-0037	7-8
	4.	Russell J. Mayweathers Award for Employee Excellence - Myong Koncz	14-0038	8
E.		ITEMS INITIATED BY COMMISSIONERS:		8
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	5.	Award Contract 8519A - Boarding Area G A380 Improvements, Phase A, Golden Gate Constructors, Joint Venture	14-0039	9-10
	6.	Replacement Airport Traffic Control Tower and Integrated Facility - T2 Partners, a J.V. of Parsons, The Allen Group, LLC and EPC Consultants, Inc.	14-0040	10
	7.	Award Sole Source Contract 0563 - Common Use Self Service (CUSS) Units - IER, Inc.		10-11
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	8.	RFQ/P for Contract 9273A - Design Build Services for Long Term Parking Garage No. 2	14-0041	11
	9.	RFQ/P for Contract 9350.9 - REACH Implementation - Project Management Support Services (PMSS)	14-0042	11-12
	10.	Reject All Bids - Contract 9159 - International Terminal Carpet Replacement	14-0043	12

11. Amendment No. 1 to Cellular Service Equipment Sites - Lease No. 09-0051C with T-Mobile West LLC 14-0044 12

H. NEW BUSINESS: 12

I. CORRESPONDENCE: 12

J. CLOSED SESSION: 12-13

K. ADJOURNMENT: 13

AIRPORT COMMISSION MEETING MINUTES
March 4, 2014

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern
Absent:	Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of February 18, 2014 were adopted unanimously.

No. 14-0034

* * *

D. SPECIAL ITEMS:

Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

1. 2013 William R. O'Brien Award for Employee Excellence - Tryg McCoy

No. 14-0035	Resolution commending Tryg McCoy for his outstanding level of dedicated and professional service to the Airport.

Mr. John Martin, Airport Director, said that the Airport Senior Staff unanimously felt that Tryg McCoy should receive this award for his outstanding leadership and commitment to the Airport which was especially exemplified with the Asiana 214 crash ... his outstanding leadership in managing that event, managing the recovery of the Airport, following up with the NTSB. All of Tryg's leadership skills really came to the front in a very successful way. He really exemplifies teamwork, the core values of the Airport that we aim for, and he does it in a very humble way. We are very grateful for Tryg's leadership. In presenting him with this award, I know he's probably embarrassed about it, but it's well deserved.

The Commission congratulated and applauded Mr. McCoy.

Ms. Chris Black, President of the Association of Flight Attendants, CWA Council 11, San Francisco representing United Airlines Flight Attendants. Along with my council members behind me, we attend this meeting in uniform to honor Tryg

McCoy and stand in support of this resolution. Under Tryg's watch, we have enjoyed our 1st Amendment rights, as well as our right to assembly, both important to the collective bargaining process. We protect these valuable rights at SFO by respecting the need to maintain safe Airport operations. We are grateful for the cooperative relationship between Tryg, the Airport Labor Coalition, and the San Mateo Central Labor Council represented by Executive Secretary, Shelley Kessler. Tryg's ability to administer our Airport permits in a balanced and equitable manner has been long appreciated. We hope our presence here demonstrates this gratitude. The struggle to achieve and maintain our work agreements are, in good part, a result of making use of valuable Airport permits. We would also like to take a moment to express our appreciation for the work of Jean Caramatti who provides access to our authorized Airport permits and continues to serve as a liaison for us at SFO. We support this resolution for a man who has made it possible for us and many other workers to have a voice at our SFO workplace.

Ms. Shelley Kessler said thank you for this opportunity to come before you to do something positive on behalf of one of the staff who's been very good to us.

When Briscoe left, and we lost our Duke,
we didn't know of the lucky fluke
that came to us in the form of Tryg,
for all we knew, that guy was big.
From airline background he did come,
of working folk, he did know some,
but had to learn each different type,
and not believe the vicious hype.
So building trust began taking shape,
which led to the cutting of sticky red tape.
And clarity of expectations,
and a lessening of medications,
with understanding, kindness too,
the problems dwindle to just a few,
Though, there were moments not too sweet
which found us marching on the street.
Yet Tryg was patient, he did not despair,
and knew that it was only fair
for us to have our free speech rights,
but kept us in his safety sites.
For this we're grateful and quite proud
to take this moment to say out loud,
we tip our hats to Tryg McCoy and publicly say Atta Boy.

Mr. Tryg McCoy, Chief Operating Officer said I certainly can't follow that and I have no poem here. Commissioners, I can't tell you what a joy it is to work at SFO. It's a great place to work and that's a phrase that you hear about, but it's true. And the reason it's great, it starts with the trust that you have with John Martin, the trust that John Martin has in me and my fellow Deputies behind me. We get to run a great Airport. 44 - 45 million people a year is really entrusted to us to manage, to do the job right, and to listen to people and to guide people.

And it's just a great place to spend your career and I've had a wonderful time doing it. I want to say a few things that, to the extent that I've been recognized as the winner of the O'Brien award, I'm overwhelmed, I was not, as people know, I recommended someone else for this award. I thought they were going to get it and all of a sudden I got it. It's a surprise to me. It wasn't something I ever thought would come my way. I'm just doing my job, doing what I thought was right for the Airport, what was right for the public, what the right thing was for labor, what the right thing is for business, what the right thing was for all of the operators at the Airport, and just trying to use my right judgment. To the extent I've been successful at that, I appreciate this recognition. A comment about the Asiana crash because John mentioned it. I think I just had the right background and the right experience when the time presented itself. That was a low point of the Airport. How are we ever going to recover from this? In fact, in looking back on it now, we did a great job. It's really a tragic part of our history but I think part of the history is also how we reacted to it and how we overcame it. What have we done since that. I think we did a great job. I think we did a good job in the first few days. It just occurred to me that I needed to pull people together but I needed to get everyone on the same page, everybody working together. It worked. We reopened the Airport very quickly, as you know. We reopened it as safely as possible. We are almost through the NTSB investigation. Things are progressing along. It's behind us. We've learned a lot and we need to take those lessons, learn to move forward, and we will do so. I just want to say thank you very much. I appreciate this opportunity. It was my pleasure. I would do it all over again. Thank you very much.

Commissioner Mazzola thanked Mr. McCoy.

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. 2013 SFO Team Recognition Service Award - "10-Year Capital Plan and Financial Outlook Team"

No. 14-0036	Resolution commending the "10-Year Capital Plan and Financial Outlook Team" on their outstanding level of dedicated and professional service to the Airport.

Mr. Martin said that this Team Award is going to the 10-Year Capital Plan team. Our $4.1 Billion Capital Plan that was approved last year. We went through a review process with the airlines, the Mayor, Board of Supervisors, rating agencies to bring everybody on board. This plan has full airline support and we have the full support of the credit rating agencies. This team really exemplifies teamwork and the vision that we look for at the Airport and maintaining our high level of credibility in the financial communities as well. Members of the team led by Denise Martinez, include Kevin Kone, Chloe Weil, Mike Nakornkhet, Alex Mann, Ronda Chu, Julia Dawson, Geoff Neumayr, Judi Mosqueda, Reuben Halili, Rick Thall, Mark Costanzo, Jim Chiu, Amir Koleini, Bruce Robertson, and Joe Birrer. Congratulations to the Capital Plan Team.

The Commission congratulated the Capital Plan and Financial Outlook Team.

Ms. Denise Martinez, Finance Director said if ever there was a project that needed a team, this was it. Going out with a very large Capital Plan for an Airport affects so many different stakeholders and communities that we knew we couldn't do it individually, it had to be a collaborative effort. I was very pleased to work with a group representing so many different disciplines ... Finance, Capital Finance, Capital Planning, Engineering, Project Management, Architecture, a lot of different groups who put together an amazing presentation for a lot of different people. If it could have included one other person it would have been Doug Yakel who helped us get the word out to the public. It was a great team and a great experience for everyone to be so successful with it and with our stakeholders. Thank you very much, it's a great honor.

Item No. 3 was moved by Commissioner Stern and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. 2013 SFO Service to Communities Award - "Disability Awareness Training Video Production Team"

No. 14-0037	Resolution commending the "Disability Awareness Training Video Production Team" on their outstanding level of dedicated and professional service to the Airport.

Mr. Martin mentioned that when we have our in-house event to honor the winners, we also honor all teams and individuals nominated for awards.

Last year we started a Community Service Award and this year's award goes to the Disability Awareness Training Video Production Team. This group worked across nine sections of the Airport producing a video entirely in-house to serve the disabled community and we use this video with all of the agencies that provide service at the Airport, including employees who push wheelchairs, deal with customers at the counters and security screening checkpoints, etc. It also serves as a tool to train trainers in these organizations so that thousands of employees and the disabled community are benefitting from this video. This was truly a great success. The team, led by Gloria Louie, includes Humphrey Loe, Erica Cline, Susan Kim, Michael Robert, Matthew McCormick, Clarissa Mamaril, Evelyn Reyes-Dizadji, Avant Ramsey, Francesca Garcia Godos, Peter Biaggi, Kenneth Fung, and Jorge Garcia. Congratulations to the Team.

Mr. Jorge Garcia said we process a lot of people through SFO every year and we like to think of our environment as one of the most accessible environments in the airport industry in the United States, if not in the world. We think our next program will put the icing on the cake by going beyond physical accessibility and all of the necessary services and support systems in place ... we're going to enhance our manners and our sensitivity to different types of disabilities. We're going to make sure they are served like anyone else in the Airport. It started out as an idea and a collaboration, not only with this team but with the Mayor's

Office on Disabilities, and it developed into a program we wanted to be broad and comprehensive. It took longer than initially anticipated but the traveler with a disability will get a very high level of service. We thank you for the recognition.

Item No. 4 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

4. Russell J. Mayweathers Award for Employee Excellence - Ms. Myong Koncz

No. 14-0039	Resolution commending Ms. Myong Koncz of the Facilities/Custodial Services Section as the 2013 recipient of the Russell J. Mayweathers Award for Employee excellence and to offer its best wishes.

Mr. Martin said that Ms. Koncz is the recipient of the outstanding Custodian of the Year Award. She's worked at the Airport since 1982 and exemplifies qualities of dedicated service and teamwork required of Mayweather recipients. As you look at her smiling face you can see she exemplifies a positive attitude that brings out the best in people. She promotes a pleasant and safe work environment that's and exemplifies a core values commitment to teamwork, pride, commitment. Myong retired in January after 31 years at the Airport.

The Commission congratulated Ms. Koncz.

Mr. McCoy said Commissioners, I would like to say that I am one of the few people that runs into Myong or use to run into her because I come in to work early in the morning. She works a graveyard shift, she happens to clean the offices up on the 5th floor where we are as well as other places. I'd come in early in the morning, she's polishing elevators, she's dusting, she worked very hard and when she retired this December, I was sad to see her leave. We miss her very much, she did a great job for this Airport for a long time.

Commissioner Mazzola commented the trophy is bigger than you are.

A gentleman signed for Ms. Koncz: I just want to say that I am very grateful to all of you and it was such a shock to hear of getting this award. I couldn't believe it. I feel so good about my time at the Airport and teamwork that I experienced there and the constant support. It meant so much to me and it was a very happy place for me to work. It allowed me to enjoy not only my workplace but my entire life. I apologize for my comments that aren't very coherent but I am so grateful to everyone on the 5th floor being so nice to me, so friendly to me and being as diligent in the work as I am, I felt respected there. I felt so good about working at the Airport but that time came to an end on January 1st. I miss you all as well. I've since moved to Arizona. Thank you again, love you all.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

F. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: Item No. 5 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

5. Award of Contract No. 8519A - Boarding Area G A380 Improvements, Phase A Golden Gate Constructors, Joint Venture - $2,446,770

No. 14-0039	Resolution awarding Contract No. 8519A, Boarding Area G A380 Improvements, Phase A, to the responsible bidder with the lowest responsive bid, Golden Gate Constructors, Joint Venture, in the amount of $2,446,770. This action constitutes the approval action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code.

Mr. Ivar Satero, Deputy Director, Design and Construction said this contract award provides for various improvements to the A380, Gate 99 specifically, for A380 improvements and addresses the airfield side. There are some existing physical constraints related to a retaining wall and blast fence deflector that currently prohibited an A380 from turning into Gate 99. Phase A of this program will relocate the retaining wall, the blast deflector fence, and security fence, and allow for that access into the gate. There will be a second Phase to this program that addresses the terminal facility, and we'll take care of adding a third boarding bridge to have three bridges at that position, then the apron area under the second phase of the program. Four bids were received and Golden Gate Contractors and their joint venture of DeSilva Gates and Pavex were determined to be the lowest responsive bidder at $2.39 million. Their bid is approximately 12% under the Engineer's estimate. We looked at all the bids and they're within a reasonable range of the Engineer's estimate. We recommend that the Commission also award the two additive alternates 1A thru 2B, providing for paving and grinding in the Plot 6 area to improve upon the maintainability in the space.

A bid protest was received from the second low bidder, Schembri Construction, citing two major points ... one concerned the qualifications of a lower tier sub to perform the work. CMD, along with Airport staff, reviewed it and determined that they are qualified and will receive LBE credit. The second point related to a question of whether union labor is going to be applied to the job. That's not a point of protest. It's a prevailing wage job and we will enforce prevailing wage requirements of the contract. However, we are aware that Bass Electric is a signatory to IBEW and the sub is a lower tier subcontractor to Bass. They have entered into a project specific agreement with IBEW, so we are not aware that there is an issue with any non-union labor for electrical work.

Funding is provided from the Airport's CIP funding. Golden Gate has committed to achieving 20% LBE subcontractor participation in comparison to the goal of

12% and we recommend your approval.

Item No. 6 was moved by Commissioner Stern and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

6. Modification No. 1 to Contract 9015.9 - Construction Management Services for Replacement Airport Traffic Control Tower and Integrated Facility - T2 Partners, a J.V. of Parsons, The Allen Group, LLC and EPC Consultants, Inc -$1,918,415

No. 14-0040	Resolution approving Modification No. 1 to the Professional Services Agreement, Contract 9015.9, Construction Management Services for Replacement Airport Traffic Control Tower and Integrated Facility, with T2 Partners, a Joint Venture of Parsons The Allen Group, LLC, and EPC Consultants, Inc., in an amount not to exceed $1,918,415, for a new contract amount not to exceed $6,510,415.

Mr. Geoff Neumayr, Design and Construction said this provides for Modification No. 1 to Contract 9015.9, Construction Management Services for Replacement of the Air Traffic Control Tower and Integrated Facilities at $1.9 million, for a new not to exceed contract value of $6.5 million. Since award of this contract, significant scope items have been added requiring additional construction management support services. Some of the additional scope items include the new post security Delta Club, the secure connector between Terminal 1 and Terminal 2, construction and relocation of our Yoga Room, and development of some connection points for the secured and non-secured connectors between Terminals 1 and 2. Additionally, the complexity of the FAA electrical design requirements has resulted in an extended design and review time and these efforts will require an extension of our electrical resident engineer involvement in the project. Also, as a result of the development of the structural design, the requirements for special inspection services has increased substantially due to the complexity of the structural system. Finally, the Construction Manager will now need to support the advanced commissioning required for LEED certification. The scope was originally intended to be provided by the FAA but the FAA was unable to support this effort within the required time frame. However, this modification forecasts a total cost performance of less than 15%, which is well within the Airport's overall goal. This project is funded by Federal funds through an Other Transaction Agreement, therefore, there are no local LBE requirements, but T2 Partners has committed to achieving a 12% small and disadvantage business sub consultant participation for this contract. We recommend your approval.

Item No. 7 was removed from the calendar without discussion.

7. Award of Sole Source Contract No. 10563 - Common Use Self Service (CUSS) Units - IER, Inc. - $348,375

Resolution awarding sole source Contract 10563, Common Use Self Service (CUSS) Units to IER, Inc. for new custom designed CUSS Units in an amount not to exceed $348,375 and authorize the purchase of fabricated units in an amount not to exceed $2,651,625.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 8 thru 11, was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

8. Request for Qualifications/Proposals for Contract No. 9273A - Design Build Services for Long Term Parking Garage No. 2

No. 14-0041	Resolution authorizing the Director to issue a Request for Qualifications/Proposals for Contract No. 9273A, Design Build Services for Long Term Parking Garage No. 2.

9. Request for Qualifications/Proposals for Contract No. 9350.9 - REACH Implementation - Project Management Support Services (PMSS)

No. 14-0042	Resolution authorizing the Director to issue a Request for Qualifications/Proposals for Contract No. 9350.9, REACH Implementation - Project Management Support Services (PMSS).

Commissioner Johns asked for information about REACH and if it come up front? I understand the purpose but I'm not sure where it fits in the process.

Mr. Satero said that this is one of our guiding principles document and ...

Commissioner Johns replied I got that, I just don't understand where it fits into the process.

Mr. Satero said that our expectation with this contract is to help us implement two phases of REACH. The first phase is a conceptual plan and they'll provide project management support services. We'll package an RFP for a fairly low level of improvements to the International Terminal and Boarding Area C, particularly related to amenities that were so successful in Terminal 2 and Boarding Area E, like the sculptural seating, the hydration set-ups, recompose. Then there's a longer term scope of work related to the International Terminal which is a much bigger vision ... improvements to elevate that to a much higher level passenger experience and provide a retail / food and beverage program much like you experience oversees at major international airports.

Commissioner Johns assumed that they will take our successes and plan up front before we go out for bids to begin the projects.

Mr. Satero said they'll help us do that and then help us administer the first phase of REACH. The second phase is likely so significant and will need a separate RFP for the International Terminal project management support.

10. Reject All Bids - Contract 9159 - International Terminal Carpet Replacement

No. 14-0043 Resolution rejecting all bids for Contract No. 9159, International Terminal Carpet Replacement, and authorizing the Director to rebid the project as Contract No. 9159R when ready.

11. Amendment No. 1 to Cellular Service Equipment Sites - Lease No. 09-0051C with T-Mobile West LLC

No. 14-044 Resolution approving Amendment No. 1 to the Cellular Service Equipment Sites Lease with T-Mobile West LLC, extending the lease term for five years for a new expiration date of June 30, 2019 and increasing the base rent during the term extension.

* * *

H. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests to speak from the public.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

There are no planned agenda items for a Closed Session for the current meeting. Inthe event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California

Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:30 AM.

Jean Caramatti

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

5

8/14

March 18, 2014

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

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Minutes of the Airport Commission Meeting of March 18, 2014

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H. NEW BUSINESS:

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I. CORRESPONDENCE: 10

J. CLOSED SESSION: 10

K. ADJOURNMENT: 10

AIRPORT COMMISSION MEETING MINUTES
March 18, 2014

A. CALL TO ORDER:
The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Linda S. Crayton, Vice President Hon. Richard J. Guggenhime Hon. Peter A. Stern
Absent:	Hon. Eleanor Johns

* * *

C. ADOPTION OF MINUTES:
The minutes of the regular meeting of March 4, 2014 were adopted unanimously.

No. 14-0045

* * *

D. SPECIAL ITEM:
Item No. 1 was been put over to the next meeting without discussion.

1. Retirement Resolution - Theresa Lee

Resolution thanking Ms. Theresa Lee for 22 years of service to the City ad County of San Francisco, 18 years of which were spent at San Francisco International Airport.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

F. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 2 was been put over to the next meeting without discussion.

2. Award of Sole Source Contract No. 10563 - Common Use Self Service (CUSS) Units - IER, Inc. - $367,825

Resolution awarding sole source [illegible]

Common Use Self Service (CUSS) Units to IER, for new custom designed CUSS Units in an amount not to exceed $367,825 and authorizing the purchase of fabricated units in an amount not to exceed $2,632,175.

3. Award of the Boarding Area C Coffee Shop Lease - Green Beans Coffee Osteria - SFO Group

No. 14-0046	Resolution approving the award of the Boarding Area C Coffee Shop Lease to Green Beans Coffee Osteria - SFO Group.

Mr. Leo Fermin, Chief, Business & Finance said that this item awards the Boarding Area C Coffee Shop Lease to Green Beans Coffee Osteria - SFO Group. This coffee shop location is new to the Airport and is pre security near the Boarding Area C checkpoint, around the corner from the base of the new Air Traffic Control Tower. This will help create a very nice, comfortable meet and greet area for passengers.

Two proposals were received in response to the RFP, with the second proposal coming from a Denver-based airport concessionaire who proposed an Einstein Brother's Bagel Shop. Green Beans Coffee Osteria SFO Group, headquartered in San Rafael, is a joint venture between Green Beans Coffee Company and a local ACDBE certified operator Aimhigh, ESG LLC founded by Mr. Ebon Glenn who owns 25% of the joint venture. We are delighted to offer a local company and a home grown joint venture partner. Green Beans operates over 60 locations worldwide, including Newark, San Antonio, and National Airports. Most of their cafes are located at military posts throughout the Middle East, Southeast Asia, Japan, and Africa. Green Beans Coffee believes in giving back and donates a percentage of its sales to Snow Ball Express, a national charity that serves the children of our fallen military heroes. Green Beans will offer high quality coffee, fresh baked products and healthy meal options that are prepared on-site for our passengers in Terminal 1. The lease is 10 years with a minimum annual guarantee of or $52,896 per year.

Mr. Ebon Glenn said that my father has been a ACDBE business owner at SFO for the last 11 to 12 years and I've been working under him since I was 19 years old. This first lease means a lot to me and I've prepared something that I'd like to share. I want to begin by thanking everyone involved with the decision to award Green Beans Coffee the Terminal 1 Coffee Lease at SFO. I walked through those terminals and my father, Ralph Glenn, has walked those same terminals my entire life ... first as a Vice President with Duty Free Shoppers and now as a tenant in Boarding Areas A and G and Terminals 2 and 3. Since my first day as an employee at SFO I've been embraced by my father's ex co-workers and the wonderful staff that serve SFO, from Revenue Development, to Duty Managers, to the Police department, and the Airport Commission office. A few years ago I was in this same room to accept a Customer Service Award on behalf of my father for returning a passenger's wallet containing $8,000. Now I'm here again accepting a Coffee Lease from the Airport that I grew up in. I want to personally thank the Airport Commission, John Martin, he's responded to my emails on various topics and we've had numerous talks over the years. Needless to say, he's made me feel at home in a city within a city. So, I want to thank SFO for helping develop me into a suitable tenant in preparing me to have the opportunity to win a lease at one of the most popular airports in the world. I'm looking forward to doing great things with Green Beans Coffee SFO as well as the City of San Francisco, who I'm grateful to for providing me the opportunity for my family to have a piece of the American dream for all these years, and hopefully years to come. Thank you.

Commissioner Mazzola said I wish you a lot of luck.

Mr. George Kennedy, representing Green Beans Coffee Company. Thank you. We're very excited to have our newest flag ship location at San Francisco International Airport. As Mr. Fermin stated, high quality coffee, AA graded, top 3% of coffee grown in the world. All of our bakery items are prepared fresh on site so nothing will be more than 24-36 hours old because we add no preservatives. We have a lot of healthy choices. We're extremely excited to be part of the City, the Airport, and partnering with Ebon. Thank you very much.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 4 through 11, was moved by Commissioner and seconded by Commissioner . The vote to approve was unanimous.

4. Authorization to Issue a Request for Proposals for Contract No. 8623 - As-Needed Geotechnical Engineering Support Services

No. 14-0047	Resolution authorizing the Director to issue a Request for Proposals for Contract No. 8623, As Needed Geotechnical Engineering Support Services, to ensure the proper design of pavements and foundations in the preparation of design documents.

5. Assignment and Assumption, and Modification No. 1 to Contract 9073 - Siemens Industry, Inc. - $354,485

No. 14-0048	Resolution approving assignment and assumption of Contract No. 9073 from Siemens Industry, Inc. to Siemens Postal, Parcel & Airport Logistics, LLC, and approve Modification No. 1 to exercise the first of two one-year options for a total amount not to exceed $354,485, resulting in a new total contract amount not to exceed $1,404,485.

6. Modification No. 2 to Contract 9108, Noise Insulation Consulting Services, to

Exercise the First of Two One-Year Options - C. Kell-Smith & Associates - $220,000

No. 14-0049

Resolution approving Modification No. 2 to Contract No. 9108, Noise Insulation Consulting Services, with C. Kell-Smith & Associates, exercising the first of two one-year options and increasing the amount of the contract by $220,000, from 750,000 to $970,000.

7. Amendment No. 4 to Contract No. 9075 - Information Booth Program - Polaris Research and Development, Inc.

No. 14-0050

Resolution approving Amendment No. 4 to Contract No. 9075 with Polaris Research and Development, Inc. to exercise the first of two, one-year options for the Information Booth Program.

8. Exercise the One (1) Two-Year Option for the Snack and Beverage Vending Machines in the Domestic Terminals, Long-Term Parking Lot, Rental Car Center and Cell Phone Waiting Lot Lease No. 09-0154 with Canteen Vending

No. 14-0051

Resolution exercising the one (1) two-year option under Canteen Vending's Snack and beverage vending machines in the Domestic Terminals, Long-Term Parking Lot, Rental Car Center and Cell Phone Waiting Lot Lease No. 09-0154, for an option term of October 1, 2014 through September 30, 2016.

9. Modification No. 1 to the 2011 Lease and Use Agreement No. L10-0097 between United Airlines and the San Francisco International Airport

No. 14-0052

Resolution approving Modification No. 1 to the 2011 Lease and Use Agreement No. L10-0097 between United Airlines, Inc. and San Francisco Airport to increase the demised premises by approximately 92,331 square feet of exclusive use space in Terminal 3 and Boarding Areas E and F, and direct the Commission Secretary to forward the agreement Modification No. 1 to the Board of Supervisors for approval.

10. Modification No. 1 to the 2011 Lease and Use Agreement No. L11-0011 between Hawaiian Airlines, Inc. and the San Francisco International Airport

No. 14-0053

Resolution approving Modification No. 1 to the 2011 Lease and Use Agreement No. L11-0011 between

Hawaiian Airlines, Inc. and the San Francisco Airport, which adds approximately 538 square feet of Category II Exclusive Use Space in the International Terminal to the Lease Premises, and directing the Commission Secretary to forward the Modification to the Board of Supervisors for approval.

11. Lease Agreement between Federal Express Corporation and the San Francisco International Airport for a Portion of Airport Building 900 on Plot 50

No. 14-0054	Resolution approving the Lease Agreement between Federal Express Corporation and the SFIA for spaces in Airport Building 900 on Plot 50, and directing the Commission Secretary to forward the Lease to the Board of Supervisors for approval.

* * *

H. NEW BUSINESS:

Discussion only. This is the “Public Comment” section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a “Request to Speak” form located on the table next to the speaker’s microphone and submit it to the Commission Secretary.

Mr. Martin Kazinski, said Taxi Driver. I was listening to the eloquent speech of the gentleman who is going to be running the coffee shop. He’s looking for an American dream. I gave up on it, but what I’m looking for is equal treatment of taxi drivers vs. the for-profit transportation companies which we call gypsy cabs or illegal cabs. I wish the SFO Police department would take a look at the situation and see that those companies that are not licensed to operate at SFO are doing business without the proper enforcement. I wish the Commission would put this item on a future agenda. I’m looking for equal treatment. As licensed taxi drivers we contribute about $30,000-$40,000 a day to the Airport budget and we feel that we are not being treated equally, to the point where the Police department makes a special effort to harass us and punish people for doing minor things and the other folks are doing business at the Airport ... picking up, dropping off. I see this happening in the morning all the time and there’s no enforcement. If we have no rules, then let everybody have no rules. There’s no need for me to go through the hoops of getting a special Airport permit for my taxi cab so I can drop off and pick up. Lets make it equal for everybody. Thank you.

Commissioner Crayton asked what we had before us regarding the taxi cabs and what we’re proposing, not proposing to do but, that we have already.

Mr. John Martin, Airport Director, replied that currently Lyft and some others are not paying any fees to the Airport and are operating illegally. The State has not taken timely action to permit these companies. Once they are permitted they will be subject to rules similar to the taxicabs, and the same fees. But the current situation is not acceptable, and I agree with the taxicab industry.

Commissioner Guggenhime asked who has jurisdiction over that ... the City Attorney?

Mr. Martin replied CPUC.

Commissioner Guggenhime asked are we weighing in on that at all?

Ms. Sheryl Bregman, Airport General Counsel, replied that we are wading through the CPUC regulatory process ... our office, the MTA and on behalf of SFO submitted briefs.

Commissioner Guggehime asked what's taking so long for them to act?

Ms. Bregman responded that they've issued one permit. I understand they have four or five applications. I don't know what's taking so long.

Commissioner Guggenhime asked if one of them is Uber.

Mr. Martin said it also concerns us that the cab industry is almost 100% clean vehicles. They've done a great job. But that's not the case with Uber and Lyft. They're not all clean air vehicles.

Commissioner Guggenhime asked if there are insurance issues. Is there anything we can do to accelerate the State PUC?

Ms. Bregman said we've been encouraging the CPUC to issue the permits ... they've issued one. It's very slow. There's not much we can do.

Commissioner Guggenhime said let's see what we can do, okay.

Commissioner Crayton asked if they have given us a timeline.

Mr. Martin said they keep telling us action is coming shortly, but they've been telling us that for four months.

Commissioner Crayton said I think it's important that we let the public know, and all the other taxi drivers, that in this particular case it's not our jurisdiction, it is the California Public Utilities Commission who needs to enact legislation to control Uber drivers and pink mustache, and whoever else is out there at this particular time. However, in terms of safety issues, do our parking control officers have any authority over them in terms of them picking up drivers and doing other things.

Mr. Martin said the San Mateo County District Attorney has to process violations issued by the City and they're not able to do that. I encourage taxi drivers to go to the CPUC and to State representatives ... the Assembly and Senate because it's a State jurisdictional issue.

Mr. Mark Gruberg, United Taxi Cab Workers, said there are two issues he wants to raise ... the first is the ability of drivers to return and get in the short line after having a short fare from the Airport. Drivers who return to the Airport on a short are being made to get at the end of a long queue of drivers waiting to get into the taxi lot. They may be back in ample time to make the short if they have a half an hour to do it, but because they're forced into this long line, which is either stopped dead or is moving very slowly, they're going to lose the ability to make that short. They may have spent an hour or two in the taxi lot and got a $10 or $15 ride, and then are forced to get at the end of a long line. For years, as long as I've been in the industry, it's been common courtesy that the first driver at the gate allows the driver on the short to pass in front of him. The Airport tolerated this for many years and now we're seeing stepped up enforcement and drivers are being thrown out of the Airport for 24-hours and having their SmartCards confiscated. It's unfair to a driver who gets back in time to make a short to have him lose it by forcing him to the end of this long line. I don't have the solution but I'm sure there is one ... perhaps open another gate for drivers on the short or have some other way of dealing with this.

The other issue has to do with the Airport's policy on TNC's. It boggles my mind that companies that are violating Airport rules because they don't have the authority to use the Airport are doing it left and right. I know there have been efforts at enforcement but it's impossible to enforce because most of these guys hide the fact that they're working for the TNCs. Now you're discussing rules that would allow them into the Airport, despite this total contempt for the Airport. It needs to be an open process. We need to have the ability to weigh in on these rules for providers of transportation. Thank you.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:17 AM.

Jean Caramatti

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

April 1, 2014

9:00 A.M.

1/14

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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D.		SPECIAL ITEM:		
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F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE;		
	2.	Modification No. 8 (TBP Set 7; Change Order Nos. 013 and 014) to Contract 9048A - Design-Build Services for Terminal 3 East Improvements - Hensel Phelps Construction Co.	14-0057	6-8
	3.	Modification No. 2 to Contract 9024A - Design-Build Services, Intern'l Terminal & B/A F Checked Baggage Inspection System Modernization Program, and Intern'l Terminal Baggage Handling System Improvements Project - VanDerLande Industries, Inc.	14-0058	8-10
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G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	7.	Execute Two Replacement Letter of Credit and Reimbursement Agreements with Bank of Tokyo-Mitsubishi UFJ Ltd. to Secure Airport's Issue 36B ($40.6 million) and Issue 36C ($36.1 million) Variable Rate Bonds	14-0062 14-0063	15
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9. Modification No. 3 to Contract 8924B - SFO Sustainability Plan - Vanasse Hangen Brustlin 14-0065 16

H. NEW BUSINESS: 16

I. CORRESPONDENCE: 16

J. CLOSED SESSION: 16

K. ADJOURNMENT: 16

AIRPORT COMMISSION MEETING MINUTES
April 1, 2014

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 18, 2014 were adopted unanimously.

No. 14-0055

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Crayton. The vote to approve was unanimous.

1. Retirement Resolution - Ms. Theresa Lee

No. 14-0056	Resolution thanking Ms. Theresa Lee for 22 years of service to the City ad County of San Francisco, 18 years of which were spent at San Francisco International Airport.

Mr. John Martin asked Theresa to come forward. Theresa retired on Friday and at her retirement party in the Aviation Museum both Mayor Lee and Mayor Jordan were there ... that's a real compliment to Theresa that two Mayors came to the event. Theresa has worked for the Airport since 1996 and has been a Deputy Director since 1996, almost 18 years as Deputy Director for Administration. For me personally she has been a trusted, loyal, dedicated, high performing senior manager. She created the Equal Employment Opportunity Office, the Training Office, the Employment Quality Standards Program, the Contract Administration Unit, she upgraded our Reproduction Office to a full service reprographics office, brought our ITT group into the modern age and greatly improved our HR performance. All of the sections that Theresa oversaw have really jumped ahead under her leadership, and several of those sections were created under her leadership. Theresa is universally loved and respected by her fellow employees and we will miss her and wish her well in her new endeavors.

Commissioner Mazzola congratulated Ms. Lee on her retirement.

Ms. Theresa Lee, Deputy Director, Administration said thank you very much for your good wishes on my retirement. I have been privileged over the last 22 years to work for the City I love. As you may know, I was born and raised in the City and like many young people growing up, all I wanted to do was to make the City and the world a better place. Quite naive you may say, and I would think the same as well, but I had the opportunity to touch many lives through the various programs at the Airport. The Airport is like a City, and not only does it serve the travelers and the tenants, the Airport also serves the community and I played a small part in that in terms of changing the lives of many who either wanted to work at the Airport, or for one of our tenants, or to learn through various internship programs that we had. I am honored to have been part of City government and especially the Airport organization in making the City and the greater community a better place for those who live and work here. I had a wonderful journey at the Airport, I have learned too, I have learned much from the Commission, my fellow Airport colleagues and staff. And I was fortunate to work with two dedicated COOs, Jackson Wong and Tryg McCoy, who were my mentors and my sounding boards with difficult issues and supported and guided me without any hesitancy. When I was first hired, John Martin challenged me to be creative and to develop programs that would distinguish the Airport from other airports and other city departments. Looking back, my team did some good things, from setting industry standards in communication's infrastructure workforce development, health and wellness, and labor standards oversight, to streamlining HR processes in hiring over 2,500 Communication employees during my tenure. I believe the Administration Division team met John's challenge and I'm proud to have been part of that team. As with any organization, staff is the number one asset. My greatest asset was my team. They epitomized the very essence of the Airport's core values in their daily work. In closing, I want to thank the Commission for your support of me and the programs I oversaw. I have enjoyed working for the Commission and respect your thoughtful and deliberate actions in doing what is right and in the best interest of the Airport, even if it gets a few Supervisors annoyed at us, and to John Martin, thank you for your visionary leadership and for instilling in us to not accept anything less than excellence in everything we do. I will miss collaborating and conspiring with my fellow senior staff colleagues and I thank them for their support and friendship. I will hold these experiences dear to me and take them with me into the next phase of my life journey. Thank you.

Mr. Tryg McCoy, Chief Operating Officer, said I want to express appreciation from all of the Deputy Directors that worked with Theresa. She's been a great person to work with. She's truly going to be missed by the Airport, she is witty, she is smart, she is dedicated to the Airport, she listens, she collaborates with all of us, she has great ideas, she has everything that you would hope from a Deputy Director. She has a lot of depth in what's she's thinking about, and a lot of appreciation for the people she's worked for and with. We're going to miss her greatly. I just want to say those words on behalf of all the Deputy Directors.

Commissioner Mazzola asked what happens if we vote no.

Commissioner Crayton said I want to say something to you Theresa. I have enjoyed the time you've been here ... your integrity in the way you did you job, how you carried it out and your staff that worked with you. I'm, also very excited about what you did to the landscape of the Airport. A lot of people don't know you added a lot of minorities and others that should be working there ... people that spoke a second language. You provided opportunities. I feel that San Francisco Airport is the number one airport. Clearly you provided great leadership. There's not enough thanks in the world for what you've done. Thank you so much.

Commissioner Stern said I just want to thank you for your service and your leadership. You are an absolute joy to work with and you're going to be missed greatly. I don't have a cocktail in front of me, I have a cup of coffee so cheers to you in your retirement. Thanks so much.

Commissioner Guggenhime said I just want to say I'm sitting here wondering what the heck you're doing retiring at your young age. But after listening to your comments, it's clear to me you must have gone to Lowell High School where I went. If you didn't, you were well educated wherever you went.

Commissioner Johns said I think everyone has said it, but from my heart I want to thank you for your 18 years of service and we really will miss you. But, I know we're going to see you in the City and you'll continue your positive work there.

Commissioner Mazzola said I want to thank you, too. You're my neighbor ... I know you live near where I live and I'll see you around the neighborhood. Congratulations. Thank you for your service to the City and to the Airport.

Ms. Lee said thank you, it's been an honor, thank you.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

F. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Stern. The vote to approve was unanimous.

2. Modification No. 8 (Trade Bid Package Set 7; and Change Orders No. 013 and 014) to Contract No. 9048A - Design-Build Services for Terminal 3 East Improvements - Hensel Phelps Construction Company - $25,623,512

No. 14-0057	Resolution authorizing Modification No. 8 (Trade Bid Package Set 7; and Change Orders No. 013 and 014) to Contract No. 9048A, Design-Build Services for Terminal 3 East Improvements, with Hensel Phelps Construction Company in an amount of $25,623,512 for a new total contract amount of $127,353,401.

Mr. G Neumayr, Design a Construction said this modification provides for
the se th Trade Bid Packa (TBP) in the amount of $23 million and Change
Orde . 13 and 14 in the ount of $2.6 million for a new total contract
amou $127.3 million, an r increasing the Type 1 Change Order Contract
conti cy to $9.6 million, ½% of the current contract amount. TBP Set No.
7 incl bid packages for hanical penthouse enclosure, structural steel and
meta k, fire proofing, int r demolition, building concrete and reinforcing
steel dation piles, temp y drywall panels, temporary AOA fences and
temp tenant relocations accordance with the Administrative Code, these
TBPs e competitively bid a minimum of three pre-qualified bidders.

This fication also appro Change Orders No. 13 and 14. Change Order
No. he amount of $41 0 provides for additional design services
requ by the Airport afte ard of the design build contract. The additional
desi vices were added a result of the project programming phase and
inclu ems such as base t baggage handling system, mechanical conflict
studi esign services for emporary United Club as well as other project
relat sign issues. Chan rder No. 14 is in the amount of $2.1 million and
is fo ional construction vices for scopes of work resulting from further
refin t of the design and t included within previously bid trade packages.
Thes pes of work includ modifications through ticket counter Mod. 4,
revis ishes of some of equipment rooms, information display
proc ent requirements, additional security infrastructure requirements.
Staff ecasting a cost of pletion for this project at $188.7 million, including
appr e cost contingenc or this stage of the project. The current forecast
is wi % of the current bu et of $187 million. Staff will continue to work with
the Build team to dev cost reduction measures including some value
engi g and scope redu opportunities to complete the project within the
allo udget. The City's ntract Monitoring division has approved a 22%
subc cting goal for desi ervices and a 16% LBE subcontracting goal for
cons n services. Hens helps has committed a 13% LBE participation to
this lar trade package d is committed to meeting the overall contract
goal BE. We recomme your approval.

Com oner Guggenhime ked what the difference is between current
estin nd rrent forecast Attachment C says current estimate on Mod 4
reno s is 10.2 million a d a bid of $6.66 million, current forecast is $6.466.
Wha e di rence betwee current estimate and current forecast.

Mr. ayr sponded that the current estimate is the latest estimate we
com fo e project where we actually did a physical estimate. The forecast
inclu har orders and hings that we might have identified since the last
estin vas one and we re-forecast so that we can keep a realtime forecast.
This cau the estimating is done at intervals throughout the project, but little
thing ne es we go thr ugh the project and it gives us a way of keeping on
top c a r time forecast.

Com on Guggenhime noted that the current estimates are often higher
than urr forecast.

Mr. Neumayr replied sometimes they are. So, we've got a cost reduction which is sometimes the result of a good bid.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. Modification No. 2 to Contract No. 9024A - Design-Build Services for International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvements Project - VanDerLande Industries, Inc. - $9,500,000

No. 14-0058	Resolution authorization Modification No. 2 to Contract 9024A, International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and International Terminal Baggage Handling System Improvements Project with VanDerLande Industries, Inc. to increase the not-to-exceed amount by $9,500,000 for a new total contract not-to-exceed amount of $83,138,927 and a new contract duration ending March 31, 2015.

Mr. Neumayr said that this is Modification No. 2 to Contract 9024A, Design Build Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, in the amount of $9.5 million for a new total amount not-to-exceed $83.1 million and extends the contract until March 31, 2015. The scope of work is divided into four tasks. Task Nos. 1 and 2 provide for a checked baggage inspection system modernization of the baggage handling system and supports the replacement of the TSA provided new baggage screening equipment for the International Terminal and Boarding Area F. Tasks 1 and 2 are covered by the Other Transaction Agreement (OTA) and are primarily funded by the TSA's re-capitalization funding that has been developed through our OTA with them. Task 3 provides for improvements to the baggage handling system in the International Terminal to update a system that's about 12 years old. Task 4 provides for a new baggage handling transfer line between Boarding Areas E and F. Tasks 3 and 4 are funded under the Airport's Capital Program. The checked baggage inspection system modernization program's goal was to replace 22 existing CTX machines with 16 modern screening machines. The majority of the existing screening machines were installed over 10 years ago and are at the end of their useful life, hence we've gone into the OTA with the TSA to modernize the system to accommodate those. In order to replace the existing CTX screening machines, major reconfiguration and modernization of the existing baggage handling system was required. Through the OTA with the TSA, the Airport has entered into this modernization program to have TSA replace the existing 9,000 CTX machines with these new 9800 CTX screening machines and have the Airport design and reconfigure the baggage handling system per the TSA Prepared Planning Design and Guidelines. As of today, the Airport with TSA has completed the replacement of six of those machines and we've installed four new 9800s. The new CTX screening machines are producing a significantly higher alarm rate than what was anticipated by the TSA in the original guidelines that they provided to us. The higher rate of alarm bags directs an increased number of bags to the checked baggage resolution area which is our screening area and the existing checked baggage resolution areas were not designed to support this increase in alarmed bags. This is the area where bags are screened manually. The additional CTX machines along with the re-circulation and conveyors are now required to be installed as temporary measures to maintain required Airport Operations. These items were not included in the original OTA scope of work but are necessary to install the new systems while maintaining Airport Operations. The Airport, TSA, and other stakeholders are currently discussing options on how to best address the higher alarm rates and find a final solution but this final solution is not anticipated until October of this year. Staff will work with TSA in assessing overall program changes needed to complete the OTA's scope of work and will return to the Commission with a recommendation for implementation of a joint solution. In the interim, this modification provides $8.5 million in design build services for additional scope required to maintain the Airport funded portions of the work. This includes relocation of utilities to optimize conveyor placement in the Boarding Area E projects, and in Terminal 3, replacement of upper level controls for Boarding Area E to be compatible with existing Airport systems, to refurbish existing legacy handling systems returned to the Airport by the airlines, and additional safety items including striping and signage, and OSHO safety requirements identified during the design process. This modification also provides for $1 million in design support to seek an amenable joint solution with TSA under the OTA. This modification is funded from the Airport's Five Year Capital Plan approved by the Commission on February 18th of this year. This project is funded by Federal funds through the OTA. Staff encouraged best faith efforts for Disadvantage Business Enterprise subcontractor participation. To date, VanDerLande has achieved 2% DBE participation. Staff will continue to work with the Airport's Small Business Affairs to further engage the participation of small and disadvantaged businesses.

Commissioner Guggenhime noted that the more efficient alarm systems are triggering many more bags requiring hand opening. If there are common items that trigger the extra sensitive alarms, perhaps the airlines could tell passengers that if they place the following things in bags, they may not make the plane. If you have a really sensitive alarm system you can be backed up for hours.

Mr. Neumayr responded that's what we're afraid of. The only way around it is to either refine it ... TSA has to work with the supplier of this equipment and refine the software to help reduce the alarm rates. When we talk about increased alarm rates, it's not that the system is necessarily identifying security issues. By way of explanation I'll use the iPhone as an example. The system would identify the iPhone as a single item. If it was alarmed, it would go through a resolution where someone would have about 20 seconds to identify it. They ultimately become so familiar with it that they now know it's an iPhone. The new systems are more like an MRI machine so it breaks that iPhone up into 50 pieces. What happens in that 20 seconds is that when they try to observe what's going on they might clear 15 of the 20 items of that phone because they don't recognize what it is anymore. Now there's five things remaining so it's now going to go into the manual screening area and they can't clear that. What TSA is trying to work out is better software implementation and refining that process to try to reduce those numbers.

We're also working with them over this summer when our passenger count goes up to really get a handle on what the actual affects are in these additional alarms to make sure that we accurately size these screening rooms. Our fear is that if these screening rooms are undersized, the bags begin to back up and they will back up all the way to the ticket counter and that's not acceptable to the Airport or the airlines. That's why we're in this partnership with TSA to help develop this. Keep in mind this is a pilot program with TSA. This is the first recapitalization project of this magnitude that has been done in the United States and it's a partnership. This is something we have to move forward and do, but it's a trial and error thing that we're working through.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Award of Contract No. 9005A - As-Needed Architectural and Engineering Support Services - K2A Architecture + Interiors - $1,200,000

No. 14-0059	Resolution awarding Professional Service Contract No. 9005A, As-Needed Architectural and Engineering Support Services to K2A Architecture + Interiors in a not-to-exceed amount of $1,200,000.

Mr. Ivar Satero, Deputy Director, Design and Construction said this is a new process for us and it is similar to the JOC construction services that provided ready access to construction services to help supplement the maintenance staff when necessary and take on small capital projects. We see this similar need with architectural and engineering services as a ready source of design professionals to supplement Airport staff. It's driven by several things. 1) a new Design and Construction Help Request process to give our client divisions the opportunity to structure and organize their needs for small design projects and helps us prioritize projects to support them. 2) the workload of the 10 Year Capital Improvement Program is significant and this gives additional resources to supplement Airport staff for those as well. 3) the driver is our Reaching for Number One program and a number of initiatives, for instance to make the Airport the best place to work comes out of Reaching for Number One and requires design/support services. This is like a pilot program to supplement Airport staff with design professionals. Our folks would really focus on the knowledge they have about the Airport, the institutional expertise they bring to these projects. They would continue to design and we would use these design services for projects that require less of that perspective. We're through an RFP process for this and our intent is to award two contracts. This is the first award recommendation with K2A Architects. We have negotiated the terms and conditions as well as the fees and billing rates. We have set a new budget for these services essentially covering three years of service so it will be $400,000/year for up to $1.2 million over the three years, however, the total term of the contract is up to five years. These are structured in accordance with the Administrative Code which limits the contract service orders to $400,000 per service order. We are also conducting negotiations with the 2nd highest ranked proposer and we anticipate returning to the Commission with a 2nd award recommendation in the near future once we complete negotiations with similar parameters for budget and schedule. CMD has approved a 27% goal and K2A has committed to achieving this goal. We recommend your approval.

Commissioner Johns asked if these folks will eventually be working with other architects who have been brought on for major projects, or will they simply do some of the preliminary design work?

Mr. Satero responded that they will work on small projects. They won't develop designs for big projects like preliminary design. They will eiither pick up the design after our folks, if it requires that kind of knowledge of our operations. Our people may bring a set of documents to 15% and these firms may take it from there and complete the rest of the documents that go out for bid. Or they may take it from the very beginning all the way through a biddable set of documents, but it will be on the smaller projects.

Commissioner Johns asked if something happened that made you realize we need another layer of consultant services to help with some of these projects.

Mr. Satero replied that we are not doing a good job meeting expectations of our client division ... for instance, when Operations says I need to move this office from this location to this location, it goes into a priority list and there are a lot of things that have to get done that just can't be pushed down in priority. It provides the opportunity to meet expectations of other divisions that have a need for more urgent implementation of their projects. I think it's just a lack of resources of in-house staff and this would help meet this peak that I see over the next few years.

Commissioner Crayton asked if we need to add staff rather than do this.

Mr. Satero said we are adding a dozen architectural and engineering positions as well. We're doing both things because of the $5 billion program and the additional burden and how collaborative our big projects are that also require the engagement of our in-house engineers and architects. This five year period is going to be a peaking challenge on our resources.

Commissioner Crayton asked if there will be a learning curve for this new firm.

Mr. Satero replied there is.

Commissioner Crayton noted that we have the staff to work with them, so I'm trying to understand if a firm like Gensler wins a proposal, what is it in their proposal that creates the gap. I don't understand the fee.

Mr. Satero said that this work is really tailored for a smaller design firm, so when you look at the list of proposing firms they are more small to mid size firms that really went after this and saw it as an opportunity. The big firms really didn't go after this, and that's how it's set up ... they're small projects, $400,000 task orders. I think there are two separate opportunities for firms and this is a great one for the small and mid size firms.

Commissioner Mazzola said that this is similar to the JOC program. Have we talked to the Building Trades to see that the workers you have are protected?

Have you dealt with any of the unions representing the engineers, for example?

Mr. Satero said this goes through the Civil Service approval process so we have gone to Civil Service.

Commissioner Mazzola said there's Local 21 ... do they represent those workers?

Mr. Satero replied yes. And it's vetted through the Civil Service process. We have to go to them to get authority to issue this.

Commissioner Mazzola said that the workers are represented by 21, not Civil Service. My question to you is, did we talk to anybody yet ... the union or a shop steward in your shop. We're talking how the workers feel about doing this.

Mr. John Martin, Airport Director asked if they commented at the Civil Service Commission.

Ms. Cynthia Avakian, SFO Contracts Manager, said this item was brought to the Civil Service Commission and the unions are notified about the work. If they have any concerns we meet with them and address those concerns, but they did not have any concerns on the item.

Commissioner Mazzola said I think we're obligated to talk to the unions. The Civil Service Commission may put a notice out somewhere that someone is supposed to look at everyday. Folks are busy, they don't look at everything that comes across everyday. I would guess that 21 doesn't know about this.

Mr. Satero said we have been very public with our own staff, including the shop stewards that represent the Local 21 employees, but we'll reach out. We have a really close relationship with the Local 21 representatives. We'll reach out to them and make sure they don't have issues.

Commissioner Mazzola said that in the future whenever we do anything that has some an impact on our workers, we will talk to the union representing those workers. If we're going to contract their work out, we have to tell them why. Linda asked why there's a gap. Those workers may want to know why there's a gap ... so why don't you hire more? Maybe you have announcements out for 12 more people ... I don't know. But workers get nervous when this kind of stuff goes on.

Mr. Satero said that he understood Commissioner.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

5. Award Sole Source Contract 10563 - Common Use Self Service (CUSS) Units - IER, Inc. - $367,825

No. 14-0060	Resolution awarding sole source Contract 10563, Common Use Self Service (CUSS) Units to IER for new custom designed CUSS Units in an amount not

to exceed $367,825 and authorizing the purchase of fabricated units in an amount not to exceed $2,632,175.

Mr. Neumayr said that this modification provides for the sole source award of Contract No. 10563, Common Use Self Service Units (CUSS) to EIR, Inc. for design and prototyping in the amount of $367,825 and for the purchase and fabrication of up to 76 units in the amount of $2.6 million, for a total not to exceed contract amount of $3 million thru December 31, 2015. The CUSS units allow passengers to self ticket and self tag bags which helps reduce congestion at the ticket counters, improve passenger flow, and reduce labor costs required for manual check-in. In 2007, following a multi vendor pilot program, the Airport purchased kiosks designed and developed by IER, with input from Airport staff and international airline carriers, for self ticketing and self tag baggage check in. EIR's platform was integrated into the airline and Airport systems providing for a common interface allowing passengers to check in at any kiosks. The current 60 plus CUSS units in the International Terminal are nearing the end of their useful life and after five years of service are in need of replacement. As part of the Airport's goal to provide the best guest experience possible, the Airport custom designed CUSS will incorporate the CUSS components and a flexible guest friendly bench layout. The redesigned units allow for flexibility and expansion as the trend of self ticketing and self tag bags continues to grow. The Airport's CUSS software platform is privately owned by IER and IER is the only vendor who can support the CUSS system as they are an exclusive program and software developer for the system. In order to maintain current CUSS technology and allow replacement and expansion of the existing CUSS units, the Airport requested a sole source waiver. On December 11, 2013, the Airport received a sole source waiver from the City's Controller's Office of Contract Administration to fabricate, purchase and install CUSS units from IER, Inc. The sole source waiver is in the amount of $3 million thru December of 2015. The contract with IER includes two phases with the first being a prototype deployment of four units in one tower base units. These units will be delivered to the Airport, installed, tested, and modified as necessary to the design and functional criteria established by the Airport and working with the airlines. The cost of the first phase is $367,825 and includes $99,125 for design development and a documentation system. Upon successful completion of phase one, the per unit cost for the remaining 76 units will be determined and will not exceed the amount of the phase two total not to exceed amount of $2.6 million. And it will not exceed the overall contract approval of $3 million. At this time, Airport staff will request Purchaser approval of the purchase of these units for the phase two contract. We recommend your approval.

Commissioner Guggenhime noted that a lot of the self tagging occurs at the ticket counter, so I question how much congestion is eliminated ... there are still lines and often people don't know how to get to self ticketing/self baggage check in. They're great machines but they are at the check-in counters.

Mr. Martin said self tagging is a faster process. Overall, what we're trying to get passengers through the process much faster.

Commissioner Guggenhime said I'm concerned about their location, and again, I've only seen it a couple of times. People are waiting in ticket counter lines to get checked in and these self check bag machines are in that area. Are there other locations for self checking bags rather than right at the check in counters.

Mr. Martin replied probably not because you want to be by the baggage belt.

Commissioner Guggenhime asked if there weren't other locations where the baggage belt would be available.

Mr. Martin said that we want passengers to show their passport and get the boarding pass at these counters. It's fast ... they walk up to the counter, the bag is tagged and that's the only process going on at the counters.

Commissioner Guggenhime asked if these are at domestic and international.

Mr. Neumayr replied that these are primarily for international.

Commissioner Mazzola asked if we will pre-fabricate the whole counter.

Mr. Neumayr replied yes.

Commissioner Mazzola asked and if the counters will be prefabricated in the U.S.

Mr. Neumayr said he will have to get back to the Commission on that.

Commissioner Mazzola said it matters how I will vote on it. If they're going to buy them from another country and sell it to us, I can't vote for that. If it's made in the U.S., fine. Is the entire counter prefabed, or just one piece.

Mr. Neumayr said the counters will be fabricated in the United States as well as the electronics.

Item No. 6 was moved by Commissioner Guggenhime and seconded by Commissioner Crayton. The vote to approve was unanimous.

6. Commence Request for Proposals Process for Foreign Currency Exchange Service Lease

No. 14-0061	Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to issue a Request for Proposals and conduct an information conference for the Foreign Currency Exchange Service Lease.

Mr. Leo Fermin, Chief Business & Finance Officer said the Foreign Currency Exchange Service Lease expires this coming December and this item request your approval to start the competitive selection process for a new lease. The lease covers fixed spaces, two mobile units, four ATMs which dispense foreign currencies and one ATM which dispenses US dollars. The lease also includes a provision to expand as necessary to serve more international flights. Currently, this lease generates about $4.4 million annually in rent to us. Consequently, we recommend establishing $4.5 million as the minimum annual guarantee to be offered. Last year we advised you that as leases for ATMs expire, we proposed increasing the ATM fee upward towards market rates. For this lease we propose increasing the ATM fee from $1.50 to $2.50. Most market rates are around $3.00 in the City.

Commissioner Guggenhime said I can be wrong because I don't bother to do this anymore, but I used to be appalled at the exchange rates given at the airport. You could go to a bank when you get to your destination and get a significantly better exchange rate. With no disrespect intended to Travelex, it offends to see British pounds at 160 elsewhere, but 168 at an airport. I don't know how much influence we have, but if the exchange rates are a rip off then the experience becomes disheartening. That my personal view.

Commissioner Crayton asked what the rate of exchange is in other airports. Have we done an analysis?

Mr. Fermin said that the exchange rates fluctuate almost on a daily basis.

Commissioner Mazzola asked what the ATM fee will be

Mr. Fermin said that we currently charge $1.50 and we're planning to increase it to $2.50. Elsewhere it's usually in the $3.00-$3.50 range.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 7 through 9, was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

7. Execute Two Replacement Letter of Credit and Reimbursement Agreements with the Bank of Tokyo-Mitsubishi UFJ Ltd. to Secure the Airport's (i) Issue 36B ($40.6 million) and (ii) Issue 36C ($36.1 million) Variable Rate Bonds and Approve Certain Related Actions

No. 14-0062 No. 14-0063	Resolution approving Execution of two Letter of Credit and Reimbursement Agreements with the Bank of Tokyo-Mitsubishi UFJ Ltd. as the letter of credit provider, to replace the existing letters of credit supporting the Airport's Issue 36B and 36C Variable Rate Bonds.

8. Contract Extension and Amendment No. 3 to Professional Services Contract No. 8891 with Airport & Aviation Professionals, Inc. - $1,800,000

No. 14-0064	Resolution exercising the first of three one-year contract extensions and approving Contract Amendment No. 3 to Professional Services Contract No. 8891 with Airport Aviation Professionals, Inc.

9. Modification No. 3 to Contract 8924B - SFO Sustainability Plan - Vanasse Hangen Brustlin, Inc. - $50,000

No. 14-0065	Resolution authorizing Modification No. 2 to Contract 8924B, Development of SFO Sustainability Plan with Vanasse Hangen Brustlin, Inc., for additional funding of $50,000 to expand scope of selected tasks and extend contract completion date to June 30, 2015.

* * *

H. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:44 AM.

Jean Caramatti

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

April 22, 2014
Special Meeting

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS

LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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Minutes of the Airport Commission Special Meeting of April 22, 2014

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D.		ITEMS INITIATED BY COMMISSIONERS:		4
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	1.	Modification No. 3 to Contract 9185.9 - Terminal 1, B/A B Redevelopment Program Management Support Services - T1 Partners, a J.V. of Parsons, The Allen Group, LLC and EPC Consultants, Inc.	14-0067	4-5
	2.	Modification No. 3 to Contract 8974.9 - Construction Management Services for Terminal 3, B/A E Refurbishment Project - PGH Wong	14-0068	5
	3.	Award Contract 9159R - International Terminal Carpet Replacement - Golden State Carpet Service, Inc.	14-0069	6-7
	4.	Award Contract 10400.50 - As-Needed PM Support Services for Capital Improvement Plan Projects - Hill International, Inc.; and Award Contract 10400.51 - As-Needed PM Support Services for Capital Improvement Plan Projects - CPM/Alta, Joint Venture	14-0070 14-0071	7-8
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	5.	Fourth Amendment of Airport's Financial Advisory Contract with Public Financial Management, Inc. and Backstrom McCarley Berry & Company, LLC, a J.V., to Exercise the Second One-Year Option to Extend the Contract	14-0072	8
	6.	Award Contract 9319 - Domestic Terminals Lower Level Crosswalk Lighting - CF Contracting, Inc.	14-0073	8-9
	7.	Award Professional Services Contract 50004 for Economic Impact Study Economic Development Research Group, Inc.	14-0074	9

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	9.	Amendment to Resolution 13-0105 to Correct the Composition of Airport Management and Financial Consulting Services Pool No. 2: Air Traffic Analysis	14-0076	10
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I.		CLOSED SESSION:		11
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AIRPORT COMMISSION SPECIAL MEETING MINUTES
April 22, 22014

A. CALL TO ORDER:
The special meeting of the Airport Commission was called to order at 9:03 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern
Absent:	Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:
The minutes of the regular meeting of April 1, 2014 were adopted unanimously.

No. 14-0066

* * *

D. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.

1. Modification No. 3 to Contract No. 9185.9 - Terminal 1/Boarding Area B Redevelopment Program Management Support Services - T1 Partners, a J.V. of Parsons, The Allen Group, LLC and EPC Consultants, Inc. - $7,807,579

No. 14-0067	Resolution approving Modification No. 3 to Contract No. 9185.9, Terminal 1/Boarding Area B Redevelopment Program Management Support Services with T1 Partners, a J.V. of Parsons, The Allen Group, LLC, and EPC Consultants, Inc. in an amount not-to-exceed $7,807,579, for a new total contract amount not-to-exceed $12,260,757.

Mr. Geoff Neumayr, Deputy Director, Design and Construction said this Modification increases the not to exceed amount for Terminal 1 B/A B Redevelopment Program Management Support Services contract in the amount of $7,807,579, for a new total not to exceed amount of $12.3 million. The total estimated value of this 10 year contract is $32 million. The program consists of 15 projects, including renovating Terminal 1 and B/A B, relocating existing facilities within Terminal 1, demolition of existing facilities in the South Field, relocating the South Field Firehouse and other facilities, and realigning taxiways in the South Field. This modification is for the second year of services and provides continued program management support services that include development of 35 RFPs for design build services and other construction contracts, continued development of the program planning process, development, scheduling, and construction phasing, as well as implementation of the T1 program management cost controls program and software licenses. With this modification, staff forecasts $150 million soft cost performance, which is well within the Airport's 15% goal of the $2.1 billion estimated construction cost. CMD approved a 22% LBE subconsultant participation goal and T1 Partners has committed to meeting that goal.

Item No. 2 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

2. Modification No. 3 to Contract 8974.9 - Construction Management Services for Terminal 3, Boarding Area E Refurbishment Project - PGH Wong - $2,835,000

No. 14-0068	Resolution approving Modification No. 3 to Contract No. 8974.9 increasing the not to exceed amount by $2,835,000 for a new contract amount not to exceed $12,000,000 for Administrative Construction Management services through June 30, 2015.

Mr. Neumayr said this Modification is for the Construction Management Services Contract for Terminal 3 and Boarding Area E Refurbishment Project. Terminal 3 and Boarding Area E were combined into a program level and PGH Wong was assigned Administrative CM for the program. This modification increases the amount by $2.8 million and revises the total not to exceed contract amount to $12 million. The total estimated cost for this contract remains at $13.7 million. The modification extends the services through June of 2015. Staff will return to seek approval for the remaining services required to complete the T3 East program. Since this contract will exceed $10 million, we will need to seek Board of Supervisors approval. The CM Services for this contract provide for construction management and program level services for the T3 East program. If you recall, the T3 East program includes reporting level services, program level project controls and office engineering support services, tenant build-out coordination, and all building code required special inspections and materials testing. With this modification, staff forecasts soft cost performance well within the Airport's 15% of construction costs for the program. CMD has approved an 18% LBE sub-participation goal and PGH Wong has committed to meeting 21%.

Commissioner Johns said that when you take this to the Board, I think it's important that you distinguished this from Boarding Area E in general.

Mr. Neumayr agreed.

Item No. 3 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

3. Award Contract 9159R - International Terminal Carpet Replacement - Golden State Carpet Service, Inc. - $3,105,539

No. 14-0069	Resolution awarding Contract 9159R, International Terminal Carpet Replacement, to the responsible bidder with the lowest responsive bid, Golden State Carpet Service, Inc., in the amount of $3,105,539.

Mr. Neumayr said this award to Golden State in the amount of $3.1 million is for installation of carpet in the International Terminal. The contract provides for replacement of worn and deteriorated carpet in the public areas of International Terminal Boarding Areas A and G and the connector to Terminal 1. It includes removing existing carpet and replacing it with new custom-designed sustainable carpet matching what was recently installed in Terminal 2 and in Boarding Area E. Two bids were received and both bids were below the Architect's estimate of $3.5 million. CMD determined that Golden State Carpet was the responsible bidder and that their LBE subcontracting participation meets the 5% goal. The contract duration is 240 calendar days. Staff also recommends approving Type One modification contingency of $233,00, which is 7.5% of the contract amount.

Commissioner Johns noted that since we are replacing International Terminal carpeting with what we have in Terminal 2, will it match

Mr. Neumayr replied it will. We have three different color pallets that we're using throughout the campus ... grey beige, grey orange and dark blue. We've use dark blue in the arrivals area as well as in Customs. We've been using beige orange in B/A E, and grey beige in Terminal 2. We'll also use orange in B/A G and beige in B/A G. It's three pallets used throughout the complex that match colors.

Commissioner Johns asked is it just in the International or throughout the Airport.

Mr. Neumayr said right it's throughout the International Terminal and Terminals 2 and 3.

Commissioner Johns asked if we've had consultants and/or designers look at this and say it will work.

Mr. Neumayr said that it's been looked at extensively, including by our own architectural staff.

Mr. John Martin, Airport Director, said that we have a design review committee.

Commissioner Guggenhime asked about the Engineer's estimate.

Mr. Neumayr replied it was about $3.5 million.

Commissioner Guggenhime noted that the bids were only $65,000 apart. What would you have done if the second bidder was substantially better?

Mr. Martin replied that we have to go with the lowest responsive bidder. Our design build contract is different.

Commissioner Guggenhime said okay, I'm fine.

Commissioner Mazzola disagreed. I think it says the lowest responsible bidder. So, if someone on staff said that this company is more responsible, then I think the answer is that you could choose them.

Mr. Martin said if a company was deemed not to be responsible, we could reject the bidr, however, we can't go to another bidder just because we have a feeling.

Commissioner Guggenhime said what you're saying is you can reject a bid because of responsibility, or not quite the standard you're wanting but, if you don't reject, you've got to take the lower bid.

Commissioner Mazzola replied I think that's right.

Mr. Neumayr said there are also minimum qualifications that exist in contracts and if for some reason we deem a company not responsive to those minimum quals, then we could look at going to the second bidder.

Item No. 4 was moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Award Contract 10400.50 - As-Needed Project Management Support Services for Capital Improvement Plan Projects - Hill International, Inc. - $1,500,000; and Award Contract 10400.51 - As-Needed Project Management Support Services for Capital Improvement Plan Projects - CPM/Alta Joint Venture - $1,500,000

No. 14-0070

No. 14-0071

Resolutions awarding Professional Services Contract 10400.50, As-Needed Project Management Support Services, to Hill International, Inc. In an amount not to exceed $1,500,000; and award Professional Service Contract 10400.51, As-Needed Project Management Support Services, to CPM/Alta Joint Venture in an amount not to exceed $1,500,000.

Mr. Neumayr said that this award is for two As-Needed Project Management Support Services contracts, each in the amount of $1.5 million for three years. The first award is to Hill International and the second is to CPM/Alta, a joint venture. The scope of work for both contracts is to provide as-needed Project Management Services for design and construction for the Airport's Five-Year Capital Program. These as-needed services include estimating services, project control services, including cost and schedule management, reporting services, and construction management and inspection services. The as-needed services will support projects less than $35 million and are intended to provide project management support services in those instances when the Airport does not have the specialized skills required or when there's a need to augment staff during peak workload periods. Only two proposals from the previously approved pool submitted, therefore a selection panel was not convened. Both proposals were evaluated by staff and found to be satisfactory and responsive to the RFP. CMD approved a 24% LBE sub-consultant participation goal and both proposers have committed to achieving this goal.

Commissioner Stern asked what was the specialized skill set required for these services.

Mr. Neumayr said for example we don't necessarily have estimating skills in-house and we would use outside services. Also, for inspections, particularly when we get into specialized items such as jet bridges, mechanical systems, electrical systems, we would not necessarily have those types of estimators in-house.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 5 through 9 were moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.

5. Fourth Amendment of Airport's Financial Advisory Contract with Public Financial Management, Inc. and Backstrom McCarley Berry & Company, LLC, a J.V., to Exercise the Second One-Year Option to Extend the Contract and Provide up to $1,300,000 in Funding for Contract Year Ending June 30, 2015

No. 14-0072	Resolution approving the Fourth Amendment to exercise the second one-year option to extend and authorize up to $1,300,000 in compensation for the Airport's Financial Advisory Contract 8993 with Public Financial Management, Inc. and Backstrom McCarley Berry & Co., LLC, to fund the second and final option year, for continued assistance with the Airport's financing program.

6. Award of Contract No. 9319 - Domestic Terminals Lower Level Crosswalk Lighting - CF Contracting, Inc. - $677,800

No. 14-0073	Resolution awarding Contract No. 9319, Domestic Terminals Lower Level Crosswalk Lighting, to the responsible bidder with the lowest responsive bid, CF Contracting, Inc., in the amount of $677,800.

Commissioner Johns did not understand what was meant by the statement that Bear Electric is only allowed to receive a 10% discount on PUC regional projects.

Mr. Neumayr said I'm not fully up to details on that but I believe that Bear had a special circumstance agreement with PUC, but when CMD looked at it they were deemed to be unable to meet the requirement.

Commissioner Mazzola asked how you can you have a special circumstance with one department and not another.

Mr. Neumayr replied I'm not sure.

Commissioner Mazzola thought it was a City program, not a department program.

Commissioner Johns said that Bear came in without the 10%. We ended up with CF because St. Francis, the lowest bidder, was challenged.

Mr. Neumayr said that PUC has contracts all over. Because of their work, I believe there's an exemption that allows a company to be a local business out of the area. Because the Airport is local, you have to be in the area, and they don't have a S.F. address, therefore they don't get local business participation.

Commissioner Guggenhime said that the PUC can go outside the local area?

Mr. Neumayr replied I believe they can.

Commissioner Mazzola said I still don't understand it. So Bear Electric can bid at Hetch Hetchy or somewhere and get a City discount?

Mr. Neumayr said I believe that's correct for PUC projects only because their work area extends beyond the City and County of San Francisco.

Commissioner Mazzola said but they don't reside in San Francisco, they reside in Oakland or somewhere, and they can get a City discount?

Commissioner Johns said apparently on PUC.

Commissioner Mazzola said it doesn't make any sense.

Commissioner Guggenhime assumed because it's a regional project. The PUC has projects all over the place.

Commissioner Mazzola said that the City's ordinance is not a regional ordinance. So how can a contractor get the 10% discount anywhere except for City property. This is City property but I don't know how they can get it anywhere else. I don't know, I don't care, and it doesn't matter on this item.

Mr. Martin asked Sheryl Bregman to research this and report back to the Commission.

7. Award of Professional Services Contract No. 50004 for an Economic Impact Study Economic Development Research Group, Inc. - $195,500

No. 14-0074	Resolution awarding Professional Services Contract No. 50004 to Economic Development Research Group, Inc. for an Airport Economic Impact Study in an amount not to exceed $195,500.

8. Ratification / Amendment of Passenger Facility Charge Application No. 5

No. 14-0075	Resolution ratifying an increased collection amount of approximately $610.4 million under PFC Application No. 5, and authorizing an amendment to PFC Application No. 5 to add an estimated $131.3 million in PFC-eligible costs for Terminal 2 and Boarding Area D Renovation Project.

9. Amendment to Resolution No. 13-0105 to Correct the Composition of Airport Management and Financial Consulting Services Pool No. 2: Air Traffic Analysis

No. 14-0076	Resolution amending Resolution No. 13-0105 to correct the composition of Airport Management and Financial Consulting Services Pool No. 2: Air Traffic Analysis by adding WJ Advisors LLC/Oliver Wyman / Airmacc, LLC to Pool No. 2: Air Traffic Analysis.

* * *

G. NEW BUSINESS

This is the “Public Comment” section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill our a “Request to Speak” form located on the table next to the speaker’s microphone and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San

Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:20 AM.

Jean Caramatti

Jean Caramatti
Airport Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

May 6, 2014

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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Minutes of the Airport Commission Meeting of May 6, 2014

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		Special meeting of April 22, 2014	14-0077	
D.		DIRECTOR'S REPORTS:		
	1.	Report on Runway Safety Area Program - Upcoming Runways Closure		
	2.	On-Airport Hotel		
E.		ITEMS INITIATED BY COMMISSIONERS:		
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	3.	Award Professional Services Contract 10003.41 - Project Management Support Services for Temporary Boarding Area B and Security Screening Checkpoint - Hill International, Inc.	14-0078	
	4.	Approval of Artwork in Terminal 1 Secure Connector		
		Yayoi Kusama	14-0079	
		James Melchert	14-0080	
	5.	Approval for Artwork in the Terminal 3 East		
		Ursula von Rydingsvard	14-0081	
		Louisiana Bendolph	14-0082	
		Chris Johanson	14-0083	
		Sanaz Mazinani	14-0084	
		Vanessa Marsh	14-0085	
		Lordy Rodriquez	14-0086	
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	6.	Modification No. 1 of Contract 9005.3B - As-Needed Structural Engineering Support Services - Rutherford +Chekene and Tennebaum-Manheim Engineers Joint Association	14-0087	
	7.	Modification No. 3 of Contract 9005.3A - As-Needed Structural Engineering Support Services - URS/Bello Joint Venture	14-0088	

8. Award Contract 9367R - Residential Airport Noise Insulation - G.E. Chen Construction, Inc. 14-0089

9. Modification No. 3 to Contract 8673 - Airport Operations Facility - Galliera, Inc. dba Trico Construction 14-0090

H. NEW BUSINESS;

I. CORRESPONDENCE:

J. CLOSED SESSION:
Existing Litigation: Knudsen v. CCSF

K. ADJOURNMENT:

AIRPORT COMMISSION MEETING MINUTES
May 6, 2014

A. CALL TO ORDER:
The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern

* * *

C. ADOPTION OF MINUTES:
The minutes of the special meeting of May 22, 2014 were adopted unanimously.

No. 14-0077

* * *

D. DIRECTOR'S REPORTS:

1. Report on Runway Safety Area (RSA) Program - Upcoming Runways Closure - Verbal Report

Report on the status of the Runway Safety Areas (RSA) Program, with specific focus on the upcoming Runways 1/19 closure scheduled for May 17, 2014, for up to four months. Report will include a briefing of construction acceleration/phasing plans, anticipated operational impacts, and community outreach efforts.

Mr. Ivar Satero, Chief Operating Officer said that it's appropriate to come before you today to provide an overall briefing of the total Runway Safety Area (RSA) program given that we're entering our most critical phase of the program ...closure of the 1-19s that will happen on May 17 . We want to give you a broad perspective or a refresher of the RSA program and also talk about potential for delays, construction phasing, and the outreach we've been doing.

As you recall, the RSA is all about providing those protection zones at the end of the runways and we successfully completed the first phase last year which was the 10-28s. We did that through a displaced threshold and a shifting of runways, and we're successful in that. The runways remain their current lengths ... 28L was lengthened to a certain extent. Now, the 1-19s, is all about that EMAS (engineered material arresting system) installation. As you recall, this is a mandate from Congress with a deadline of 2015 for airports to have their RSAs complete. We are definitely ahead of that schedule. This project, which is partially Federally funded, is scheduled for completion by the end of this year. With that, I would like to introduce Jim Chiu, RSA Project Manager.

Mr. Jim Chiu said the two remaining runways requiring RSA upgrades are locked between the bay on the north and Highway 101 on the south. Since it's not practical to shorten these two runways in order to provide the safety zones, we will be utilizing EMAS to meet the FAA's RSA requirements. EMAS is a high energy absorbing concrete material intended to stop aircraft that have over shot a runway. EMAS is similar in concept to a runaway truck pullout made of gravel that we see on the side of a highway. You can walk on these blocks but they're uniquely designed to be crushable by the weight of the aircraft. We'll be installing 23,000 of these blocks to provide additional protection to the four runways. Construction work has already begun. For the last two months we have been performing the necessary precursor work in preparation for the May 17 runway closure. The dual runways will be closed on May 17 and are scheduled to re-open on September 8, 2014. The joint venture construction company of DeSilva Gates Construction and Granite Rock Construction have each successfully performed many of the Airport's airfield projects. The two companies, with their combined resources and experiences at SFO and also with the incentive bonus built into the contract, intend to complete the work and re-open the runways early. Safety and security is our top priority as you can see from the site plan. For safety reasons and to provide the most effective way to construct this RSA work, we're fencing off two major areas, one at the north end and one at the south end, where the bulk of the work will take place. This is to clearly identify and to physically fence off construction activities from the rest of the airfield operations areas. We have confidence in the Airport's construction team and the joint venture contractors to complete the RSA work safely and ahead of schedule. With that, I will hand over the next part of the presentation to John Bergener.

Mr. John Bergener, Planning Manager said before I talk about delays I will discuss the dual runway closure option and why it was agreed to by the Airport, airlines, and the FAA as the preferred alternative. Initially the stakeholders looked at several alternatives for completing the RSA work, including closing the runways one at a time, closing the north end, followed by closing the south end, and operating on shortened runways or dong the work in multiple night, weekend closures. However, all these other options would have resulted in more overall delays and had more scheduled risk associated with them which could have extended the project and increased delays even more. So the dual runway closure option is the safest and most efficient operation that resulted in the lowest overall delays and the shortest construction period. That work is being completed over the summer, which typically has better weather, when the Airport operates on a 28-28 operation anyway due to crosswinds. When preparations for the runway closures are complete and the runways close, construction will occur six days a week, 20 hours/day. So the question that normally comes up is if the Airport ever operates on a 28-28 configuration on arriving and departing, and the answer is yes. The procedure is very familiar to the Air Traffic Controllers as it's frequently used during periods of high crosswinds and was in fact used for over 100 days in the summer of 2013 for one or more hours/day.

Commissioner Johns asked if it was used because of the winds.

Mr. Bergener replied because of the high crosswinds that didn't allow use of the ones. So, in the normal configuration with all four runways available in good weather, Airport capacity is about 100-104 operations/hour, depending on the aircraft fleet mix. In the 28-28 configuration with the dual runway closure, Airport capacity will be about 85 operations/hour or about a 15-20% reduction in capacity. In this configuration arriving flights are given priority so extra arrival delays are not anticipated in good weather. Departure capacity will be reduced during the runway closures and departure delays are likely during peak period departure demands such as 9am, 11am, and 1pm. This slide is a comparison of simulated delays. We did simulations multiple times on this closure alternative between the 28-1 normal operations and the 28-28 runway closure option for both the good weather all day alternative and for a day with morning fog and clouds until about 11:30am followed by clearing. These are the two predominant weather conditions in the summer. In both cases the average delay increases under the runway closure option. In a good weather all day case, delays are projected to increase by about 2 minutes on average, made up predominantly by increases in departure delays which on average are projected to be 4 minutes higher than normal, and for peak departure delays, even those really high demand periods up to 15 minutes higher than normal. In the case with morning fog and clouds followed up by clearing later on, the average delays are expected to increase by about 5 minutes on average, again made up predominantly of departure delays which on average are 10 minutes higher than normal and for peak departure delays are almost 30 minutes higher than the normal during some of those hours. So, recognizing the projected increase in departure delays associated with the dual runway closure, there's been several efforts to mitigate the projected increase. No. 1, the FAA has reviewed flight schedules of all airlines and had one-on-one conversations and obtained a proposed flight schedule increase to less than 2% during the construction period this summer and those increases are all during the off-peak times, not during the peak hours. Since last Fall, we have had the closely spaced parallel runway approach procedure available which improves runway efficiency in bad weather. As part of the RSA construction work, the Airport is implementing a departure metering system, which is a tool that allocates departure times to airlines based on schedule rationing and other agreed upon principles, and allows the projected departure delays to occur at the gate with passengers in the Terminal building as opposed to on the plane waiting at the end of the runway in a departure queue. The principle is similar to a freeway ramp metering system that provides a smooth flow of traffic on the highway instead of large groups of cars all merging at once. The results should be reduced passenger waiting time onboard aircraft, shorter aircraft departure taxi times, and aircraft fuel savings. (Mr. Bergener provided a simulation). Without the departure metering system you can see that long departure queues at the end of the runways would result ... 20-25 aircraft may stack up waiting to depart. So, instead of having those aircraft wait at the end of the runway you can see what happens with the departure metering system. You'll see there are many fewer planes waiting at the end of the runway, and instead you'll see planes at the gates with passengers waiting in the terminals until just before they have a departure metered slot available. They then board the plane and go out to the end of the runway. It reduces the amount of time people wait on the plane, although it doesn't reduce the overall departure delays.

Commissioner Johns assumed that meant there are less gates available for incoming flights. Where do they stack up and wait for a gate to open up.

Mr. Bergener replied that if a gate is needed for an inbound flight, we will have planes load and get off the gate. There are also designated waiting spots around the Airport. But that is not expected to occur much.

Commissioner Guggenhime asked if the airlines have adjusted their schedules accordingly.

Mr. John Martin said they've dropped about 40 flights/day from their schedules.

Commissioner Guggenhime asked if they have increased their connection time recommendations to people who are connecting.

Mr. Martin said they have for connecting through Chicago or Denver from San Francisco ... they are showing much longer times for transfers.

Mr. Martin added that we don't worry about clear weather in the summer. Rain is the primary reason we don't do paving work in the winder.

Mr. Bergener introduced Doug Yakel, SFO Public Information Officer, who will discuss flight track changes associated with the RSA closures and outreach efforts to notify the public of these anticipated changes.

Mr. Doug Yakel said the closure of these two runways for this project will lead to a temporary change in air traffic over some of the communities surrounding SFO so I just want to take a moment to highlight what some of those air traffic changes will be and talk about some of the outreach work we're conducting to get the word out. For starters, we're looking at a map of the Peninsula ... you can see the Airport in the lower right section of the screen and let's talk about how aircraft typically depart SFO with all four runways available to us. Typically, traffic going to the mid West, East Coast, and Europe will launch off of Runways 1L and 1R, head up the Bay towards their destinations, and you'll also see really the largest share of our air traffic, and that is traffic to Southern California, also using these runways, launching off 1L and 1R, making a left turn over Brisbane, and heading South towards their destination. With the use of all four runways, we use 28L and 28R for some departure activity, primarily traffic to Asia and Hawaii. This is the typical configuration to date. With the closure of 1L and 1R, the re-distribution is as follows: You'll continue to see traffic to Asia and Hawaii, going off 28L and 28R but what's added is all of the traffic to Southern California. This is probably the most significant shift in air traffic during the period of these runway closures ... the flights going to Southern California. The communities in San Bruno, South San Francisco, Pacifica, and Daly City will see an increase in air traffic during these runway closures. You will also see flights going to the mid West, East Coast, and Europe launching off of those runways and making a right turn over Highway 101 heading East towards their destination so some communities will see an increase ... cities like Brisbane will actually experience a decrease in air traffic during the runway closures. We've been conducting community outreach since we began the process last fall. We've had a Noise Roundtable Forum, where initial communication was focused, and since that time we've focused on reaching out to communities ... in particular communities that will see increases in air traffic during these runway closures. We've made presentations to City Council meetings of all the cities along the flight paths that will see increases and we've also made presentations within San Mateo County. We've also reached out to the travel industry. We want to ensure that these runway closures do not impact any customer bookings that we see during this period so we've made similar presentations to travel associations and Convention and Visitors Bureaus. The last step that we've undertaken happened last week and that was the distribution of a post card mailer ... hopefully you have a copy on your desk. This went out to approximately 11,500 residents that live directly under the flight path from 28L and 28R. These are the folks that will be most directly effected by this runway closure and this is really our final step from an outreach perspective to ensure we get the word out. We've also been reaching out to the media throughout. We issued a press release last fall and in March we hosted a Media Day at the Airport where we actually took local media out to the runways to demonstrate both completed RSA work and the locations of the upcoming work.

Commissioner Guggenhime said that when all runways are working we have south, north, north-south and east, west, west-east another set ...correct?

Mr. Yakel said essentially, yes. Our primary runways ... 28L and 28R are in a north, north-west orientation.

Commissioner Guggenhime ... and that's going to stay open?

Mr. Yakel replied that's correct.

Commissioner Stern asked if there has been any thought about the impact to concession revenue since there are going to be delays.

Mr. Martin believed that with departure delays and the fact that people won't get on the plane until it's ready to depart should actually result in increased spending.

Mr. Martin said I think we may see some fall off in traffic on some of the short hall markets. The big question is whether United is going to be diverting some of their connecting traffic to other hubs, that's where we may see some hit on our traffic numbers ... passengers may make their connections in Denver, for example.

Commissioner Johns asked if they are working on trying to mitigate that.

Mr. Martin replied we don't know.

Commissioner Guggenhime thought that he heard that they are factoring in connecting reservations and more layover time.

Mr. Martin said I'm sure they are ... both here and flights from San Francisco to Denver or Chicago.

Commissioner Johns asked what CSPR stood for ... allowing more flights to come in on a parallel landing.

Mr. Satero replied Closely Spaced Parallel Runways.

Commissioner Johns asked if that is in effect now.

Mr. Satero replied that it is.

Commissioner Johns asked if that means that all planes had to have equipment to make it happen ... how does it technically work?

Mr. Bergener said that the Closely Spaced Parallel Runway procedure is sort of a staggered instrument approach procedure that uses the existing instrument landing system which all commercial aircraft are equipped with so it didn't require any additional aircraft equipment.

Commissioner Johns asked what's different now.

Mr. Bergener replied FAA rules ...

Commissioner Johns thought there was supposed to be new equipment that would make this happen more easily.

Mr. Bergener said the two improvements recently made were the Simultaneous Offset Instrument Approach procedure lowered minimums. That uses a traditional technology. The closely spaced parallel runway operation, which allows staggered instrument landing system approaches, uses traditional technology. Some of the newer things that are coming up are the required navigation performance area navigation, a NextGen technology that will require additional equipment. That's coming up in the next couple of years. It's a transition from a ground based navigational aide to a satellite based navigational aide.

Commissioner Johns asked if airline pilots were trained on this new staggered approach so they would be familiar with it.

Mr. Bergener said I don't know if it requires additional training. It's a standard instrument landing system approach and air traffic controllers from the FAA put the aircraft in a correct position to line up. It exists in several other airports around the country, like Seattle.

Commissioner Johns said I'm asking these questions in light of the accident that occurred and I'm wondering if this puts more pressure on the pilots and the tower.

Mr. Bergener said not really. You're just using a standard instrument landing system approach that they do all the time.

Commissioner Guggenhime said pilots know what they're doing.

2. Report Regarding On-Airport Hotel - Verbal Report

Report providing an update on upcoming actions and necessary approvals for the hotel project.

Mr. Leo Fermin, Chief Business & Finance Officer said that now that the environmental review has been completed, we will be going full swing on the hotel project on Plot 2, the site of the former Hilton Hotel. On this site the hotel will have great visibility from Highway 101, and would appear on the right as one drives onto the Airport both from the North and the South on 101. This first slide shows an artist rendering of a possible way the hotel could look, although we have not begun to design the building and we will look at many different possibilities. Also shown are some of the amenities that staff has considering. The final amenities will be developed together with the brand selected to operate the hotel. An artist's rendering provides a view of the AirTrain station that will be built next to the hotel. One idea staff has is to build the hotel lobby at the same level as the AirTrain station to enable easy entrance and exit by guests. Over the next year a number of items will be presented to you ... first, as required by environmental law, we will ask you to adopt the CEQA findings and authorize commencement of the hotel project. Next, we will need to have an operator on board as we program and design the hotel and will seek approval to issue an RFP for a hotel operator. The RFP will state that communications must only be with Airport staff identified in the RFP; contact with other City representatives to influence the selection will be grounds for disqualification from the selection process. After the RFP is issued we will hold a pre-proposal conference to clarify the RFP and answer questions from prospective proposers. We will then return to you to report on the pre-proposal conference and request authorization to receive proposals. Towards the end of this year we will ask for approval to issue RFPs for Project Management and Design Build contracts, and finally, in early 2015, we will seek award of six contracts ... four to our single hotel operator, one to a Project Management team, and one to a Design Build team. We will have one branded hotel operator but, there will be four contracts. First we'll need technical assistance services from the operator for tasks such as spacial programming, input on operational performance, advice on systems and equipment needed to open the hotel as well as consultation on architectural design, interior design, mechanical systems, and restaurant and kitchen planning in accordance with operator brand standards. Second, the operator will assist with the purchase and installation of furniture, fixture, and large equipment as well as operating supplies and small equipment. Third, we will need pre-opening services such as recruiting, hiring, and training of employees, development of a marketing plan, pre-bookings, and testing of equipment and systems. And we will have a management agreement for the on-going management and operation of the hotel from day one. Normally, under the Airport's Master Bond Resolution, all Airport revenues are deposited into the Airport Revenue Fund, even those at the hotel, however, standard hotel industry practice calls for daily hotel receipts to be deposited into its own lockbox fund. Hotel operating expenses are paid for from this source. So, in order for us to follow standard industry practice, we will use a provision in the Master Bond Resolution to declare the hotel a special facility and issue special facility bonds which the Airport will then pay for with the proceeds of the sale of general Airport revenue bonds. This slide illustrates the bond issuance structure. The Airport will do a regular general Airport revenue bond sale to the public. Then, with the cash proceeds from the general Airport revenue bonds, the Airport will purchase its own special facility bonds. This slide illustrates the separate lockbox fund for deposit of hotel receipts and the payment of expenses. Daily hotel cash receipts are deposited into this lockbox fund held by the Bond Trustee. The operator draws on this account to pay operating costs. Money from this account are also used to pay Airport debt service on the special facility bonds which is then passed on as debt service for the general Airport revenue bonds. Finally, this slide shows the key milestones. Our goal is to open the hotel no later than January 2018.

Commissioner Mazzola said this is exciting and a great addition to the Airport.

Commissioner Guggenhime said that some airport hotels are already inside security, but obviously that's not happening. Are there advantages to people staying at the Airport hotel as far as accessing airplanes.

Mr. Martin said we think we will see a lot of passengers flying in on international flights who will spend a night or vice versa and people maybe spending a couple of days in San Francisco. Also people driving in from 1,500 miles outside of San Francisco who reside in the area spending the night in a hotel. A lot of people coming for overnight meetings. There will be a lot of different uses.

Commissioner Stern asked if there will be an opportunity for bag check at the hotel, or for passengers to get their boarding passes.

Mr. Fermin said those are some of the ideas that we'll look at. There are a lot of different ideas that we need to discuss with the hotel operator that we'll select.

Commissioner Johns asked if this will increase BART's activity.

Mr. Martin replied that it should.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. Award Professional Services Contract No. 10003.41 - Project Management Support Services for Temporary Boarding Area B and Security Screening Checkpoint - Hill International, Inc. - $4,850,000

No. 14-078	Resolution awarding Professional Services Agreement, Contract 10003.41, Project Management Support Services for Temporary B/A B and Security Screening Checkpoint to Hill International, Inc., in an amount not to exceed $4,850,000 and for a duration of 22 months from Notice to Proceed.

Mr. Reuben Halili, Program Manager T1 Program, Design and Construction said this item awards a Contract for Project Management Services for Temporary Boarding Area B and Passenger Screening Checkpoint to Hill International in an amount not to exceed $4.8 million. The Temporary Boarding Area B project is the first in the series of projects to enable the Terminal 1 program to proceed. This project will include a temporary Passenger Screening Checkpoint, a temporary Passenger Circulation Corridor, Utilities Systems Relocations, Passenger Loading Bridge Installations, and many airline and non-airline tenant relocations. The scope of work for Project Management Support Services is for estimating project controls, supporting construction management and inspection. The Airport received three proposals from Hill International, SFO Alliance, and ABA Global. Our selection and evaluation panels scored all of the proposals and ranked Hill International with the highest score. CMD approved a 20% LBE sub-consultant participation goal and Hill International has committed to achieving this goal.

Item Nos. 4 and 5 were called together. They were moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Approval for Artwork in the Terminal 1 Secure Connector

Resolutions approving the artists and designs selected for the Terminal 1 Secure Connector.

No. 14-0079 Yayoi Kusama
No. 14-0080 James Melchert

Mr. Blake Summers, Manager, SFO Museums said that we have two Design Build projects currently in progress, the Air Traffic Control Tower and T3 East and these artists were selected for these projects. We worked with the Design Build teams and the Arts Commission to identify locations within these projects for the art. Once locations were identified, the artists were selected on the basis of two national calls for sculpture. The Arts Commission issued an RFQ last fall and 221 artists applied. A panel met to review the applicants and selected a shortlist of qualified artists. These were submitted to the selection panel to review and make final recommendations. Artists were selected from the Arts Commission pre-qualified pool of two dimensional art. A national RFP was issued last summer and 640 artists applied. A panel selected 190 artists from the 640,to be part of the pre qualified pool. The Arts Commission selected 13 of these artists to forward to the selection panel. The Airport Art Steering Committee reviewed the approved artist selections and proposals. Last night the Arts Commission approved all these artist selections. Finally, as you know, the funding comes from Art Enrichment.

Commissioner Johns asked if there is a way in the selection process to find local Bay Area artists ... did we try to have a certain percentage?

Mr. Summers said I don't know if they look for a percentage. In the final selection, five out of the eight artists were local.

Commissioner Crayton asked if any of the artists were present. What is the diversity breakdown?

Mr. Summers said that Ms. Bendolph is African American, one artist was born in the Philippines, one is Japanese, and one is Iranian.

Commissioner Crayton asked if the amount of money they received would be based upon where their art will be located or on the actual piece itself.

Mr. Summers said he did not understand the question, but the artists were picked for specific locations.

Commissioner Crayton ... and that's why the difference in the dollars?

Mr. Summers replied yes. He added that some of the lower dollar amounts are actually paying for licensing fees of art that exists and is going to be produced on panels. That's the case for Vanessa Marsh and Lordy Rodriguez.

Commissioner Guggenhime added that the younger upcoming artists are much less money than established artists such as the Japanese artist.

5. Approval for Artwork in the Terminal 3 East

Resolutions approving the artists and designs selected for the Terminal 3 East.

No. 14-0081	Ursula von Rydingsvard
No. 14-0082	Louisiana Bendolph -
No. 14-0083	Chris Johanson
No. 14-0084	Sanaz Mazinani
No. 14-0085	Vanessa Marsh
No. 14-0086	Lordy Rodriquez

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 6 thru 9, was moved by Commissioner Stern and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

6. Modification No. 1 of Contract No. 9005.3B - As-Needed Structural Engineering Support Services - Rutherford+Chekene and Tennebaum-Manheim Engineers Joint Association - $400,000

No. 14-0087	Resolution approving Modification No. 1 to Contract 9005.3B, As-Needed Structural Engineering Support Services to Rutherford+Chekene and Tennebaum-Manheim Engineers to exercise the option to increase the contract amount by an additional $400,000 to the full approved budget of $800,000 and a four year time extension thru April 11, 2018.

7. Modification No. 3 of Contract No. 9005.3A, As-Needed Structural Engineering Support Services with URS/Bello Joint Venture - $400,000

No. 14-0088 Resolution approving Modification No. 2 to Contract 9005.3A, As-Needed Structural Engineering Support Services with URS/Bello to exercise the option to increase the contract amount by an additional $400,000 to the full approved budget of $800,000, and a 4 year time extension thru May 8, 2018.

8. Award of Contract No. 9367R - Residential Airport Noise Insulation - G.E. Chen Construction, Inc. - $824,600

No. 14-0089 Resolution awarding Contract 9367-R - Residential Airport Noise Insulation Construction to the responsible bidder with the lowest responsive bid, G.E. Chen Construction, Inc, in an amount of $824,600, and a corresponding contingency of $61,845 for Type 1 Modifications.

9. Modification No. 3 to Contract No. 8673 - Airport Operations Facility - Galliera, Inc. dba Trico Construction

No. 14-0090 Resolution approving Modification No. 3 to Contract 8673, Airfield Operations Facility, with Galliera, Inc. DBA Trico Construction, to extend the contract duration by 36 calendar days at no additional cost.

* * *

H. NEW BUSINESS:
Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

* * *

I. CORRESPONDENCE:
There was no discussion by the Commission.

* * *

J. CLOSED SESSION:
CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(a) Public comment on all matters pertaining to this agenda item.

(b) Discussion and vote in open session pursuant to the Brown Act (California Government Code §54956.9) and the Sunshine Ordinance (San Francisco Administrative Code §67.10(d)) on whether to invoke the attorney-client privilege and conduct a closed session to confer with legal counsel. ACTION ITEM.

(c) [PROSPECTIVE CLOSED SESSION]

CONFERENCE WITH LEGAL COUNSEL regarding existing litigation (Government Code §54956.9(a), Administrative Code §67.8(a)(3)): *Knudsen* v. *City and County of San Francisco, et al.*, U.S. District Court (California Northern District), Case No. 4:12-cv-01944-DMR, filed April 19, 2012. DISCUSSION ONLY.

There are no other planned agenda items for the closed session. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in closed session, the Airport Commission may discuss and vote whether to conduct a closed session under the Brown Act (Government Code §54954.2(b)(2) and §54954.5) and the Sunshine Ordinance (Administrative Code §67.11).)

(d) [RECONVENE IN OPEN SESSION]

(i) [IF APPLICABLE] Report on action taken in closed session required by the Brown Act (Government Code §54957.1(a)) and the Sunshine Ordinance (San Francisco Administrative Code §67.12(b)).

(ii) Discussion and vote whether to disclose any or all discussions held in closed session (San Francisco Administrative Code §67.12(a)). ACTION ITEM.

The public session was reconvened at 10:09 AM and the Commission voted unanimously not to disclosed the discussion.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:10 AM.

Jean Caramatti.

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

May 19, 2014
Special Meeting
9:00 A.M.

9/14

Room 416 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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Minutes of the Airport Commission Special Meeting of May 19, 2014

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B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
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	1.	Retirement Resolution - Tryg McCoy	14-0092	4-5
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F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
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	4.	Adopt Findings Under CEQA and Authorization to Proceed with Implementation of On-Airport Hotel and AirTrain Station Project	14-0095	6-7
	5.	Issue RFP to Select Branded Hotel Operator	14-0096	6-7
	6.	Award 4 New Commercial Paper Deal Agreements for Dealer Services to:		
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G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	7.	Modification No. 3, Exercise Second & Final One-Year Option to Extend Arbitrage Rebate/Investment Advisory Professional Service Contract 9010 - Bond Logistix	14-0101	8
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	9.	Execute Amendment to Letter of Credit/Reimbursement Agreement - Royal Bank of Canada	14-0103	9
	10.	Modification No. 2. to Contract 8838 - AirTrain		

Operations and Maintenance - Bombardier Transportation (Holdings) USA, Inc. 14-0104 9

11. Award Contract 10009.41 - Project Management Support Services for Security Access Office and Customs Badge Seal Office Relocations - Cambridge CM, Inc. 14-0105 9

12. Modification No. 2 to Contract 9122 - Turbo Data Systems, Inc. 14-0107 9

H. NEW BUSINESS: 10

I. CORRESPONDENCE: 10

J. CLOSED SESSION:
Settlement: Knudsen v. CCSF 14-0106 10

K. ADJOURNMENT: 11

AIRPORT COMMISSION SPECIAL MEETING MINUTES
May 19, 2014

A. CALL TO ORDER:
The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 416, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Richard J. Guggenhime Hon. Peter A. Stern
Absent:	Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns

* * *

C. ADOPTION OF MINUTES:
The minutes of the regular meeting of May 6, 2014 were adopted unanimously.

No. 14-0091

* * *

D. SPECIAL ITEM:
Item No. 1 was moved by Commissioner Stern and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

1. Retirement Resolution for Tryg McCoy

No. 14-0092	Resolution thanking Tryg McCoy for his 18 years of service to the City and County of San Francisco and San Francisco International Airport and offering him best wishes for a long and fruitful retirement.

Mr. John Martin, Airport Director said Tryg worked for many years with American and AirCal, retiring as Station Manager for American. He then came to the Airport where he has worked for 18 years. He began his career as a Duty Manager and quickly moved up the ranks to Chief of the Duty Managers, then Deputy Director for Operations and Security in 2004 and Chief Operating Officer in 2011. I could not have asked for a stronger COO. He modeled a commitment to excellence and was a model employee, reaching out, promoting good will and high standards. He is a true leader who came through for the Airport with our Reaching for No. 1 program, elevating our performance, and the way he responded as a leader in the Asiana crash, taking on the situation and managing it so incredibly effectively, following through in Washington with the NTSB and handling those hearings. I'm personally very grateful to Tryg for his outstanding work and commitment to the Airport over the years. We're all going to miss him.

Mr. Tryg McCoy said you reach a point in your career where this happens and it's embarrassing, frankly. I've loved everyday I worked at the Airport. It's been a fabulous career and I'm very grateful. And the people I'm most grateful to are everybody here in this room, to John, to Sheryl, to you Commissioners, to Jean, to everyone behind me, to the other Deputy Directors, all the Staff here at the Airport. It's a wonderful group of people running a really complex organization. The Airport is a tough place. There's a lot going on everyday, lots of challenges, and a lot of opportunity for failure and opportunity for success. We've been successful and we'll continue to be successful because the people that will be here long after me are the right people. They have the skills, the talent, and most importantly they have the commitment to the Airport to make it truly successful. As John said I've had two careers. I worked for airlines for 23 years and the Airport Commission for 18 years. I've been fortunate to have people who have trusted me and given me opportunity to grow and lead the organization at different levels. No one has done more for me than John Martin. I've had his trust and his support, and he's given me opportunities ... and I think I've done okay with those opportunities. I'm grateful to John and the Commission for giving me those opportunities. It's been great. I've loved every day. I truly care about the people I've worked with and I think that's really the secret. It's no secret to care about people, to support them and find ways to lift obstacles from people that kept them from being successful, to try to find ways to lead them, to follow our Reaching for No. 1 goals and objectives ... they truly are a great set of principles that help guide us all. To the extent that I've done that, I'm happy. Now it's time for me to step aside and let Ivar have the opportunity to be COO. He'll be successful, and likely more successful than I've been. It's a nice transition; I couldn't be happier. I'm going to have a good time doing something completely unknown. Whatever it is, it'll be fun. I thank everybody for the opportunity. Thank you very much.

Commissioner Stern said I hope retirement means that you'll return to the Airport to work on projects from time to time. You're going to be missed.

Commissioner Guggenhime said I want you to tell me what retirement is like on a daily basis ... I want to hear from you.

Commissioner Mazzola said I'm sure you'll have a third career. I don't know what that will be, but I wish you a lot of luck in it.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item Nos. 2 and 3 were called together. They were moved by Commissioner Guggenhime, seconded by Commissioner Stern. The vote to approve was unanimous.

2. Designation of $62,550,000 of Passenger Facility Charge (PFC) Funds as Revenues for Payment of Debt Service in Fiscal Year 2014/15 and Authorization

to Apply Such Amount to Airline Rates and Charges, As Needed, and to Request an Appropriation of an Additional $47,000,000 of PFC Funds for Capital Projects

No. 14-0093	Resolution (1) designate $62,550,000 of PFC funds as revenues for payment of debt service in FY 2014/15, (2) authorize such amount to be applied to airline rates and charges, as needed and (3) authorize a request for an appropriation of $47,000,000 of PFC funds for capital projects

3. Fiscal Year 2014/15 Airport Rates and Charges

No. 14-0094	Resolution establishing Airport Rates and Charges for FY 2014/15.

Mr. Leo Fermin, Chief Business & Finance Officer said these agenda items are related in that we collect Passenger Facility Charges of $4.50 per enplanement then use the amounts designated as revenue to pay debt service in our operating budget. This, together with non-airline revenues, affects the amount we need to collect from the airlines through rates and charges. It helps to moderate increases in airline rates and charges. We've reviewed next year's proposed rates and charges with the airlines and the Airport's Financial Advisory Committee. Next year our enplanement forecast is 23.1 million, an increase of 2.9% from the current year's budget. We propose to increase landing fees by 6 ½%, from $4.29 per 1,000 lbs. to $4.57. In comparison, one year ago the increase was 7%. The average annual increase in landing fee rates since 2008, when the financial crisis hit, was 6.1%. Next year's landing fee rate of $4.57 is the same as Boston's rate this year, and is close to LAX's $4.60. Chicago's landing fee rate is $7.30. Newark is $8.26. We also proposed increasing the average terminal rental rate by 6 ½%, from $140.85 per sq. ft. to $149.98. One year ago the increase was 7.1%. The annual average increase in terminal rates since 2008 is 7.3%. Bottom line, the cost per enplanement will increase by 2.9%, from $14.22 to $14.63, well below the target ceiling of $18.90 agreed to with the airlines for the first five years of the 2011 Lease and Use Agreement.

Item Nos. 4 and 5 were called together. They were moved by Commissioner Stern seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Adopt Findings Under CEQA and Authorization to Proceed with Implementation of the On-Airport Hotel and AirTrain Station Project

No. 14-0095	Resolution adopting findings under the California Environmental Quality Act (CEQA) and authorizing implementation of the On-Airport Hotel and AirTrain Station project as provided in the Airport's approved FY 2014/15 Five-Year Capital Plan; and related actions.

This activity is within the scope of the San Francisco International Airport Master Plan Program approved by the Airport Commission on November 3, 1992. The Master Plan EIR prepared for the Master Plan Program, including addenda thereto, adequately described this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Fermin said this past February the San Francisco Planning Department issued an addendum for the Hotel project to the final Environmental Impact Report for the previous Master Plan. In March, staff sent you the addendum itself with a 4-page CEQA Review Summary. The resolution before you adopts the CEQA findings and authorizes staff to proceed with the Hotel project.

5. Authorization to Issue a Request for Proposals to Select a Branded Hotel Operator

No. 14-0096	Resolution authorizing the issuance of a Request for Proposals to select a branded Hotel Operator.

Item 5 authorizes staff to issue a RFP for a branded hotel operator. So far, a total of nine brands have met with staff and expressed interest in the operator contract. Currently, we are contemplating a 10 year management agreement with one, five year option. With your approval, we will distribute the RFP tomorrow and hold a pre-proposal conference on June 3rd to go over the RFP document, answer questions, and receive comments and suggestions from interested parties. We will return on June 17 to report on the pre-proposal conference and request your authorization to receive proposals which will be due on August 8. It should take the selection panel about a month to evaluate proposals and interview firms

Commissioner Stern asked Mr. Fermin what his thoughts are on the RFP criteria.

Mr. Fermin said Attachment A shows the selection and evaluation criteria, but what's important is a true understanding by the operator of what the Airport wants to achieve. It's important that the operator is consistent with our expectations and matches our vision of what we want the hotel to be, and more importantly, the operator also has to tie into the Airport's values and the values of the CCSF, and really endorse those values. That's going to be very important criteria.

Commissioner Guggenhime said the only reason you've got a tentative 5 year, which in my view is not that long, is that has to be done to get a qualified management agreement for tax reasons.

Mr. Fermin replied correct. The maximum term is 15 years allowable by tax law.

Item No. 6 was moved by Commissioner Guggenhime seconded by Commissioner Stern. The vote to approve was unanimous

6. Award Four New Commercial Paper Deal Agreements for Dealer Services to Citigroup Global Markets, Inc., J.P. Morgan Securities, LLC; Morgan Stanley & Co., and RBC Capital Markets, LLC, in Connection with the Airport's Commercial Paper Program

No. 14-0097 No. 14-0098 No. 14-0099 No. 14-0100	Resolutions awarding four new Commercial Paper deals and approve the execution of new dealer agreements with Citigroup Global Markets, Inc., J.P. Morgan Securities, LLC, Morgan Stanley & Co., and RBC Capital Markets, LLC, each with a five-year term.

Mr. Fermin said commercial paper is an excellent very low cost way for us to finance projects on an interim basis when construction work is underway. Currently, commercial paper costs us between 0.07% and .09%, less than 1% in interest annually. Our current commercial paper dealer agreements expire on June 30. In March we issued an RFP to firms in the pre-qualified underwriting pool and proposals were received from eight of the 10 firms in the pool. Our evaluation criteria included competitiveness of fees, the ability to work with the Airport's form of the dealer agreement and suggested dealer counsel, prior experience with similar size commercial paper programs, and the proposed staff to be assigned to the Airport. We request awarding five year agreements to the best four of the eight firms which submitted proposals.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 7 thru 12, was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

7. Modification No. 3 to Exercise the Second and Final One-Year Option to Extend the Arbitrage Rebate and Investment Advisory Professional Services Contract 9010 with Bond Logistix, LLC, and Authorize the Use of Previously Approved Compensation to Fund the Remainder of the Contract

No. 14-0101	Resolution approving Modification No. 3 to extend the Airport's Arbitrage Rebate and Investment Advisory Contract with Bond Logistix, LLC thru Sept. 30, 2015, and authorize the use of $165,825 in previously approved compensation to fund services over the second and final option year.

8. Modification No. 2 to Exercise the Second and Final One-Year Option to Extend the Term of Contract 9013 with Swap Financial Group, LLC thru Dec. 14, 2015 and Authorize Use of Previously Approved Compensation to Fund the Remainder of the Contract

No. 14-0102	Resolution approving Modification No. 2 to extend Professional Services Contract No. 9013 with Swap

Financial Group, LLC thru December 14, 2015 and authorize use of previously approved compensation to fund services for the second and final option year.

9. Execute Amendment to Letter of Credit and Reimbursement Agreement with Royal Bank of Canada to Increase the Existing Letter of Credit Supporting Subordinate Commercial Paper Notes from $100 Million to $200 Million, and Extend the Expiration Date for an Additional Year

No. 14-0103	Resolution authorizing an Amendment to the Letter of Credit and Reimbursement Agreement with Royal Bank of Canada to increase the existing Letter of Credit from $100 million to $200 million, to extend the expiration date for an additional year, and approve certain related actions.

10. Modification No. 2. to Contract No. 8838 - AirTrain Operations and Maintenance Bombardier Transportation (Holdings) USA, Inc. - $1,848,174

No. 14-0104	Resolution approving Modification No. 2 to Contract 8838 with Bombardier Transportation (Holdings) USA, Inc. for AirTrain Operations and Maintenance Services in the amount of $1,848,174 to cover the replacement of obsolete AirTrain equipment and to provide a contingency fund for replacement of any additional equipment over the three-year contract term, for a new total not to exceed contract amount of $100,548,174.

11. Award Contract 10009.41 - Project Management Support Services for Security Access Office and Customs Badge Seal Office Relocations - Cambridge CM, Inc. - $739,575

No. 14-0105	Resolution awarding Professional Service Contract 10009.41, Project Management Support Services for Security Access Office and Customs Badge Seal Office Relocations, to Cambridge CM, Inc., in an amount not to exceed $739,575.

12. Modification No. 2 to Contract No. 9122 - Turbo Data Systems, Inc. - $22,000

No. 14-0106	Resolution approving Modification No. 2 to Contract No. 9122 with Turbo Data Systems, Inc. to extend the current agreement for one additional year, and authorize a decrease in the processing fees.

* * *

H. NEW BUSINESS:
Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

* * *

I. CORRESPONDENCE:
There was no discussion by the Commission.

* * *

J. CLOSED SESSION:
CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION/PROSPECTIVE SETTLEMENT

(a) Public comment on all matters pertaining to this agenda item.

(b) Discussion and vote in open session pursuant to the Brown Act (California Government Code §54956.9) and the Sunshine Ordinance (San Francisco Administrative Code §67.10(d)) on whether to invoke the attorney-client privilege and conduct a closed session to confer with legal counsel. ACTION ITEM.

(c) [PROSPECTIVE CLOSED SESSION]
CONFERENCE WITH LEGAL COUNSEL regarding existing litigation (Government Code §54956.9(a), Administrative Code §67.8(a)(3)): *Knudsen* v. *City and County of San Francisco,* et al., U.S. District Court (California Northern District), Case No. 4:12-cv-01944-DMR, filed April 19, 2012. Discussion of proposed settlement and resolution recommending approval by the Board of Supervisors. ACTION ITEM.

There are no other planned agenda items for the closed session. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in closed session, the Airport Commission may discuss and vote whether to conduct a closed session under the Brown Act (Government Code §54954.2(b)(2) and §54954.5) and the Sunshine Ordinance (Administrative Code §67.11).)

(d) [RECONVENE IN OPEN SESSION]
(i) [IF APPLICABLE] Report on action taken in closed session required by the Brown Act (Government Code §54957.1(a)) and the Sunshine Ordinance (San Francisco Administrative Code §67.12(b)).

(ii) Discussion and vote whether to disclose any or all discussions held in closed session (San Francisco Administrative Code §67.12(a)). ACTION ITEM.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:27 AM.

Jean Caramatti

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

June 3, 2014

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

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Minutes of the Airport Commission Meeting of June 3, 2014

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	2.	Modification No. 3 (Closeout) to Contract 9230.9 - Construction Management Support Services for RSA - Parsons Brinckerhoff, Inc.	14-0110	5
	3.	Modification No. 12 (Closeout) to Contract 8974B - Design-Build Services for the Terminal 3, B/A E Improvements Project - Hensel Phelps	14-0111	5-6
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H. NEW BUSINESS: 9

I. CORRESPONDENCE: 10

J. CLOSED SESSION: 10

K. ADJOURNMENT: 10

AIRPORT COMMISSION MEETING MINUTES
June 3, 2014

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern
Absent:	Hon. Larry Mazzola, President

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of May 19, 2014 were adopted unanimously.

No. 14-0108

* * *

D. SPECIAL ITEMS:

Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

1. Retirement Resolution - Ms. Carolyn Hinton

No. 14-0109	Resolution thanking Ms. Carolyn Hinton for thirty-four (34) years, ten (10) months of faithful service to the City and County of San Francisco.

Mr. John Martin, Airport Director said that Carolyn Hinton is not here today but she's worked for the Airport for almost 35 years as a Communications Dispatcher. Very reliable, wealth of knowledge on the Airport, great working with people, and has been one of our very best training officers over the years ... she has been recognized for her commitment.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. Modification No. 3 (Closeout) to Contract 9230.9 - Construction Management Support Services for Runway Safety Area - Parsons Brinckerhoff, Inc. - $4,820,000

No. 14-0110	Resolution approving Modification No. 3 (Closeout) to Contract 9230.9, Construction Management Support Services for Runway Safety Area (RSA) Program with Parsons Brinckerhoff, Inc. for an increase in the not-to-exceed amount of $4,820,000 for a new total contract not-to-exceed amount of $14,700,000, and a four month contract renewal for services thru June 30, 2015.

Mr. Geoff Neumayr, Deputy Director, Design and Construction said that this item authorizes the final modification to Contract 9230.9 for Construction Management Services for the RSA Program and increases the not-to-exceed amount by $4.8 million, for a final contract amount of $14.7 million for services thru June 30, 2015. To date, Parsons Brinckerhoff under this contract, managed the Phase 1 Program through to completion last summer. This Modification is for the final year of services and provides for continued Management and Project Support Services that include the closeout of the Phase 1 RSA Program and continues Management Services for the currently on-going Phase 2 contract, and closes out the Phase 2 contract as well. Since the total contract is anticipated to be $10 million, the Airport will seek Board of Supervisors approval pending Commission authorization. Parsons Brinckerhoff committed to 20% disadvantaged business enterprise subcontractor participation for this contract and to date has achieved 25% DBE participation.

Item No. 3 was moved by Commissioner Johns and seconded by Commissioner Guggehime. The vote to approve was unanimous.

3. Modification No. 12 (Closeout) to Contract 8974B - Design-Build Services for the Terminal 3, Boarding Area E Improvements Project - Hensel Phelps Construction Company

No. 14-0111	Resolution approving Modification No. 12 (Closeout) to Contract No. 8974B, Design Build Services for the Terminal 3, Boarding Area E Improvements Project with Hensel Phelps Construction Company for an extension of time of 100 consecutive days and an increase in Type 1 Contingency of $1,450,000, with no increase in the Guaranteed Maximum Price.

Mr. Neumayr said this Modification provides for a time extension of 100 calendar days and an increase of the Type 1 contingency amount of $1.45 million for Design-

Build Contract 8974B for the Boarding Area E project. Since opening Boarding Area E, a number of additional scopes were identified by Airport stakeholders, and this work included additional roofing, fuel shut off, replacement and flushing of existing fuel pipelines, additional work on our wi-fi system, ground power modifications, and power modifications to our power outlets throughout the Terminal Complex. This work is estimated to cost $950,000 and will require an additional 100 calendar days to complete this work. In addition, this Modification provides for $500,000 which will pay for a deductible portion of the Airport's Builder's Risk for the damage to the Boarding Area E project during construction caused by a water intrusion incident. This water intrusion incident occurred as a result of a separate contract, also Hensel Phelps, on the Terminal 3 East project. During demolition, a fire main was damaged and water went from that project into the Boarding Area E project. We will seek reimbursement of the $500,000 deductible under the Terminal 3 contract from Hensel Phelps, but we need to separate them out because the Builder's Risk policy affects the current contract that was damaged. The project remains within the overall project budget. Hensel Phelps has committed to achieving a 4% LBE subcontractor participation for this contract, and to date has achieved 18%.

Commissioner Stern asked for more information on the work being done on the wi-fi system?

Mr. Neumayr said it's just to expand the common use system for the airlines. There was some expansion that needed to be done. When the system was tested after installation, it wasn't getting completely out to the aircraft. The wi-fi system is needed to reconcile baggage on aircraft and that involves a lot of work.

Mr. Martin noted that we're upgrading the wi-fi system overall in T3.

Mr. Neumayr said that we're adding access points throughout the Terminal. We are finding that we need more access points because the existing ones are getting overloaded. There's a lot of work going on in regards to that. We will be proceeding with the rest of Terminal 3, Boarding Area F and the west portion of Terminal 3.

Commissioner Crayton asked who is doing the wi-fi work?

Mr. Neumayr said we do a lot of the work in-house. We do the actual conduit installation and cable pulling ourselves. The only difference is that we have to purchase the access points from the vendors. Don't quote me, but I think we purchased those from Cisco.

Item No. 4 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

4. Authorization to Issue Request for Qualifications/Proposals for Contract 10010.66 - Design-Build Services for New Boarding Area B Reconstruction, and Contract 10011.66 - Design-Build Services for Terminal 1 Center Renovation with a Modified Prime and Subcontractor Selection Process

No. 14–0112

Resolution authorizing the Director to issue a RFQ/P for two contracts: Contract 10010.66, Design-Build Services for New Boarding Area B Reconstruction and Contract 10011.66, Design-Build Services for Terminal 1 Center Renovation with a modified prime and subcontractor selection process.

Mr. Neumayr said this item seeks approval to issue a single RFQ/P through award of two design-build contracts for the Terminal 1 Program. One will be for the Boarding Area B Reconstruction project, estimated to be $570 million. It will provide additional 500,000 sq. ft. to Boarding Area B as well as provide a 24 gate facility. It will also include renovation of the Terminal 1 Center project. We divided the Terminal 1 program into a North Side and South Side. We're proceeding with the red portion in Terminal 1 as well as the green portion which is the Boarding Area. The Center portion is estimated to be $260 million, excluding the Baggage Handling System which is another $182 million. We will return to the Commission for permission to issue a separate RFP for the Baggage Handling System and upon award, we will assign that to the Terminal 1 contract, the renovation process. The purpose of separating baggage handling is so that we can have a hand in the selection of the Baggage Handling System and bring them on in a timely fashion so that we can evaluate the most current technologies in the Baggage Handling System. By not doing that, we often compress our schedules and we don't get the opportunity to explore them. This will allow us to do it. Once we start construction, we will assign that contract to the Terminal 1 contract so that there is coordination during implementation of the Baggage Handling System. This RFQ contains a three-step selection process. In the first step design builders will be asked to submit their minimum and technical qualifications. We will convene a technical selection panel to score and rank all of these proposals, and we will shortlist six firms from that list. In Step 2 we will ask the six individual firms to submit design concepts that are compatible with our objectives, including our REACH (Revenue Enhancement and Customer Hospitality) program. We will then convene a separate design panel to review the design concepts. They will score and rank the proposals and those scores will then be combined with the technical to create a separate shortlist of up to four firms. Each firm that submits a design concept will be given a stipend of $50,000, with the exception of the firms that receive one of the contracts. The four firms that are shortlisted that have the design concept will then be allowed to participate in an oral interview and submit their cost proposals. The technical selection committee will evaluate the oral interviews, score those firms, add them to the previous scores and we will rank the firms by project. In the event a firm ranks number one on both projects, we will ask that firm to select one of the projects and then proceed to negotiations with the second ranked firm on the other project. In addition to this contract, we will seek Board of Supervisors approval for a number of ordinance revisions to our typical requirements outlined in the Administrative Code. We will seek to include more than just the typical things in the Administrative Code and include things like schedule compliance as well as designability. The second part will be related to procurement. There are two major things that occur there. First, typically the Administrative Code only allows us to negotiate up to 7½% directly with non-bid work. We would like to increase that to 15% to allow us to incorporate and look at different things such as systems ... those things that are specific. The second part of that procurement process is to allow us to select a number of core subcontractors that are typically design-build. We will seek their designs and if they are within 5% of an independent estimate, we will allow them to proceed with the work.

Commissioner Johns asked if the 7½ to 15% is something new.

Mr. Neumayr replied it's the first time. We've typically used 7½% on all of our previous build contracts. There are a number of things this does for us ... it allows us early procurement, it gives us more flexibility as we go quickly through a contract and to look at those systems that are more prudent for the Airport. For example, we have a lot of systems already in place that we don't have the opportunity to competitively bid because we're sole source, such as fire alarm systems or power, and to some degree our jet bridges. This gives us a little more flexibility so that we can stay compatible with the existing systems.

Commissioner Crayton asked if this helps us to include more bidders in this particular process rather than exclude folks.

Mr. Neumayr asked if you mean for the 7½ to 15%. It really isn't to include more bidders, it's really to allow us a little bit of flexibility so that we can adapt our existing systems at the Airport.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 5 thru 10, was moved by Commissioner Stern and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

5. Software Upgrade Agreement with Intergraph Corporation - $587,274

No. 14-0113	Resolution approving software upgrade agreement with Intergraph Corporation to provide software upgrade services for the Airport Communication Center and SFPD-AB's Computer Aided Dispatch System in an amount not to exceed $587,274.

6. Amendment No. 1 to Professional Services Contract 9390 - Grant Management and Capital Improvement Cost Reports - R.W. Block Consulting, Inc. - $1,300,000

No. 14-0114	Resolution approving Amendment No. 1 Professional Services Contract 9390 with R.W. Block Consulting, Inc. for continued services related to grant management and capital improvement cost reports, increasing the total not-to-exceed contract amount by $1,300,000 for a new total contract amount of $1,950,000.

7. Amendment No. 3 to Contract 8883 - Exercise the Second and Final One-Year Option to Extend the Issuing and Paying Agent Professional Services Contract - U.S. Bank National Association

No. 14-0115

Resolution approving Amendment No. 3 to Contract 8883, Issue and Paying Agent Professional Services Contract, to exercise the second and final one-year option to extend the contract with U.S. Bank National Association for continued maintenance of funds and accounts related to the Commercial Paper program.

8. Award Contract 9380 - Designated Aviation Channeling Services - Transportation Security Clearinghouse - $500,000

No. 14-0116

Resolution awarding Contract No. 9380, Designated Aviation Channeling Services to Transportation Security Clearinghouse in an amount not to exceed $500,000 for a period of three years, effective July 1, 2014, with one 2-year option exercisable at the sole discretion of the Commission.

9. Modification No. 2 to Contract 9112R - Customer Surveying and Benchmarking Service - Airports Council International - $38,850

No. 14-0117

Resolution approving Modification No. 2 to Contract 9112R with Airports Council International to increase amount by $38,850 for a new not-to-exceed amount of $263,850 to perform customer surveying and service benchmarking associated with the Aviation Service Quality Program.

10. Authorization to Exercise the First of Two, One-Year Options to Extend the Term of Pacific Gateway Concessions, LLC's Boarding Areas B and C Principal Concession Retail Lease No. 98-0228 Under Amendment 4

No. 14-0118

Resolution exercising the first of two, one-year options to extend the term under the Pacific Gateway Concessions, LLC, Boarding Areas B and C Principal Concession Retail Lease No. 98-0228, Amendment 4 for an option term of June 18, 2014 thru June 17, 2015.

* * *

H. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

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K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:17 AM.

(Original signed by Jean Caramatti)
Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

June 17, 2014

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of June 17, 2014

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I. NEW BUSINESS: 15

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AIRPORT COMMISSION MEETING MINUTES
June 17, 2014

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Linda S. Crayton, Vice President arrived at 9:07 am at the call of Item No. 3. Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern
Absent:	Hon. Larry Mazzola, President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 3, 2014 were adopted unanimously.

No. 14-0119

* * *

D. SPECIAL ITEMS:

Item No. 1 was put over to the July 1, 2014 Commission meeting.

1. Retirement Resolution for Mr. Dave Loustalot

Resolution thanking Mr. Dave Loustalot of the Facilities Division for 33 years of faithful service and to offer best wishes for a long and fruitful retirement.

Item No. 2 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

2. Retirement Resolution for Mr. James Cheng

No. 14-0120 Resolution thanking Mr. James "Jim" Cheng for nearly 20 years of faithful service to the City and County of San Francisco.

Mr. Ivar Satero, Acting Airport Director, said that it is with great pleasure that we recognize Jim Cheng on his retirement after 20 years of service. Jim and I started at the Airport about the same time. Jim was involved such formative programs for the Airport, including the Master Plan expansion program. The first part of Jim's career was with our ITT department in its early days and very involved in the development of the ITT organization as an economic planner. More recently, Jim has been with our Finance Division and it has been my pleasure to work with Jim as developed our Five Year and Ten Year Capital Programs,

Jim has always been a source of great information and reliable information as we developed our Five and Ten Year Plans. It's been a pleasure to work with Jim. I've been able to call upon Jim and ask him questions about the analysis he has done on our Capital Program. Jim has given us a high level of credibility with the airlines as we prepare these programs. It's with great pleasure that we recognize Jim on his retirement. Certainly the Airport will be losing a wonderful employee, a committed employee and a dedicated employee.

Commissioner Johns thanked Mr. Cheng for his 20 years of service.

Commissioner Stern thanked Mr. Cheng for his service and said that he will definitely be missed.

Commissioner Guggenhime ... absolutely.

Mr. Jim Cheng thanked the Commission. Ivar, thank you very much for the kind introduction. Honored Commissioners, I am very grateful to have the opportunity to speak today. It's a very proud and happy moment for my family and I. I want to thank Leo Fermin and John Martin for having extended an opportunity for me to work at the Airport in 1994. I want to thank all of my associates at SFO for their company, their friendship and support during the past 20 years that we've worked together. I'm proud of how the Airport has advanced and continued to thrive, especially in light of setbacks from 911 and the great recession. I feel fortunate to have been of service to a San Francisco asset with global significance and having made a difference toward SFO's ongoing success.

My family immigrated to the U.S. in 1956 and I'm the first child to complete college and earn a graduate degree. My mom and dad encouraged me to do well in school so that I could have greater opportunities than they had. My wife and children have always been by my side as we've journeyed through lifes ups and downs and many unexpected challenges. For my parents, my wife and children who have been my guiding stars, thank you for sharing my adversities and my joy while I've been at the Airport. We made it! Thank you, very much.

* * *

E. DIRECTOR'S REPORTS:

3. Report on SFO Preparedness for Sea Level Rise - Verbal Report

Mr. Satero introduced Mr. Joe Birrer, head of Engineering, who will present a report to the Commission on the work we are doing to protect the Airport from sea level rise and 100 year storm events, and some of the interagency coordination that's been going on as the City has developed a strong emphasis to protecting the assets of the City in close collaboration with the Airport as well.

Mr. Joe Birrer said that he will be addressing the 100 year flood and sea level rise and what staff is doing in those regards. I'm going to also touch on some of the improvement recommendations that are coming out of our shoreline protection study and some of the regional collaborations that we've had on this issue.

(The power point presentation is attached.)

The map before you is a draft map of FEMA's flood insurance rate map. The green in the Bay and covering over the Airport, represents potential flooding to the Airport in the event of a 100-year storm. We're focused on this 100 year storm because in 2010 the City and County of San Francisco joined FEMA's National Flood Insurance program so we are now required to comply with that program. At the time the City joined the program, the flood map that we had looked much different from this map. We didn't realize the extent of flooding that was possible under the 100 year flood. In 2013, FEMA came out with this map, and again this is a draft that will be finalized somewhere in 2015, showing the potential level of inundation in the 100 year flood. We're required to meet the FEMA requirements and there are several ways of doing that. We could flood proof the design of any new facilities, we can raise the finished floor level of any new facilities we put in above flood level, or we could fortify our sea wall perimeter to meet FEMA's certification standards. Staff feels that's the most reasonable and appropriate method to go forward to protect the Airport because it protects the entire Airport, all of our existing assets, and our future assets. Given what we know from our on-going study, we think that the design and construction of sea wall protections to meet FEMA requirements will take about six to eight years and will have a budget of about $30-$50 million. That will make us compliant with FEMA requirements.

This slide shows some of the areas where improvements are needed. We have some height deficiencies in some of our sea walls and some gaps, and in other areas we have no protections at all and those are the areas that need to be addressed in the near term to be compliant with FEMA. This slide shows us what sea level rise looks like at the Airport. The blue that covers the Airport represents the flooding we would experience with a three-foot sea level rise. The difference between sea level rise and the100 year storm is that the 100 year storm comes in, there's flooding and it recedes. But sea level rise really represents a daily tidal inundation. It's slightly different but when we consider protecting the Airport going forward, we have to consider both the sea level rise and the 100 year flood risk to remain compliant with FEMA requirements. Looking at this much larger construction effort, we think the permitting and the design and construction would probably take somewhere in the neighborhood of 10 to 15 years and have a cost of about $200-$300 million. With that investment, we think it should give us protection for about 50 years, to around the 2060 time frame. But the important thing to note is that the improvements we make, both for FEMA compliance and for sea level rise, will build those protections in such a way that we can raise those sea walls in the future to continue to protect the Airport beyond 2060. This slide gives you an idea of what we're looking at in terms of sea level rise over time ... there are many different studies and they all have different values. We're using this one from the National Research Council and it shows that they expect, using 2030 as an example, 6 inches of sea level rise with a plus or minus of 2 inches. Those are the kind of similar numbers we've seen on other studies over time looking at sea level rise. There's a fairly high confidence level in those numbers with what we know, but every study also shows us extreme ranges and that's what we have in the third column. Whenever we look at these studies they'll tell it's likely this, but it could be this ... much lower or much higher sea level rise. Again, it's important to look at and build in this adaptive capacity that I've mentioned in our future construction so that if sea level rise doesn't track the way we think it will, and it's greater than we think it will be, we can raise our sea walls and protect ourselves. And if it tracks lower than the projections are going, then we're protected ourselves for a longer period of time with our investment.

This slide gives you a visual picture of what's going on with sea level rise. On the right we have a model of our existing sea wall, and on the left we have what the Bay looks like with a mean higher high water level. What that really means is we have two high tides a day and two low tides a day, and the mean higher high is the average of the highest daily tide of the two. That's the normal elevation of the Bay. When we have a 100 year flood, we have the storm surge elevating the water level in the Bay, and then on top of that we have wave action riding on top of the storm surge and as the wave action approaches our sea wall we have run up on our sea wall. It's a little hard to see here, but where we have deficiencies in our existing sea wall is with overtopping. So, a little of those waves in some areas will overtop our levees and come onto our airfield, and that's what we're trying to protect against. If we look forward in time to 2030, with 6 inches of sea level rise, the storm surge elevation raises up and the wave action and wave run up also raises up, and if we look out to 2030 and assume 36 inches of sea level rise, we have the same thing. The storm surge raising up to 36 inches and the wave action riding on top of that. So, going forward that is what we need to protect the Airport ... not just the storm surge, but the wave run up. We've been working on this for a couple of years and we've engaged with a number of different agencies. The City has the S.F. Adapt Committee that we're actively participating in that is helping to set sea level rise policy for City agencies. We've met with the Army Corp of Engineers several times and we're pursuing a potential project or program with them. It's in the works, but they work on their own schedule and it's quite a lengthy one so we don't know where it will go, but we're pursuing it. We're working with San Mateo County Supervisor Dave Pine's office and the City of South San Francisco. We've applied for, have been granted a coastal conservancy grant to study the creeks coming to the Bay north of the Airport, and look at the affects that those creeks will have on sea level rise and on the Airport. As you know, anything we do on the Bay will have to deal with the Bay Conservation and Development Commission and we've had on-going discussions with them about this issue. They have jurisdiction over the shoreline so we'll have to work with them. The U.S. Coast Guard has a facility at the Airport at the edge of the Bay and they're totally unprotected, so we're working with them to try and figure out how we can protect them and ourselves. Of course, we've been working with FEMA. We still need to reach out to other agencies such as the Federal Aviation Administration. We haven't seen any policy on this from them, but we will have to work with them on this issue. Our neighbors, Cal Train and BART in Burlingame, all have the potential of suffering damage from sea level rise and storm surge. We need to make sure that we're protected and they're protected so people can get in and out of the Airport. We need to make sure that Burlingame, on our southern flank, is also protected from sea level rise so we're not potentially inundated from our north and south borders. We've done a lot of work, we've participated on a lot of panels, we've given our input, we've tried to stay on the forefront of this issue to make sure that we are proactive and we are looking out for the interest of the Airport. But we still have a lot of work to do to correct the deficiencies in our existing sea walls and then build up the remaining sea walls to defend the Airport against sea level rise over time. There's still a lot of work to do.

Commissioner Johns asked if the FEMA requirements were specific to SFO or if they are generalized FEMA requirements. Have they learned anything from the Sandy storm on the East Coast? Maybe I don't have as much confidence.

Mr. Birrer said that the FEMA requirements that we're building to are nationwide requirements that are part of the National Flood Insurance Program. I think what we've seen as we work with FEMA, and as they develop the draft Flood Insurance Rate Map that we're working from, that they understand that they have to look at this more closely than they have in the past. I don't know specifically what they've learned from Sandy, but I would imagine they're taking some lessons from that.

Commissioner Johns said that we use many consultants and asked if we're working with them rather than just using these FEMA guidelines.

Mr. Birrer replied yes, we are. We're working with Moffett, our primary consultant on the shoreline protection study, and the Project Manager is well known around the Bay as being very knowledgeable on Bay tidal and flooding action. We've met with him and we've brought him to our meetings with FEMA. They're trying to work out the math calculations a little differently, depending on what factors you put in and what factors you take out. They each have different sea rise levels that they think we need to protect against, as demonstrated in one slide where there's sea level rise in a plus or minus variation. We're listening to our consultant, working with FEMA, and we're trying to come to some reasonable agreement with them on what protections we think we need to have in place for the 100 year flood.

Commissioner Johns assumed that we have a sea wall as Mr. Birrer mentioned raising it in certain areas.

Mr. Birrer replied we do.

Commissioner Johns assumed that some of those areas are not as well protected as others and if we add height to them, would it be as strong as the original wall?

Mr. Birrer said we would build it more like a sea wall levy than a building, but part of building it up is building the foundation and making it strong enough to have the adaptive capacity so that we can add to it later and continue to raise it over time.

Commissioner Johns asked if the existing ones would be rebuilt.

Mr. Birrer said that they would be rebuilt. That's where the cost is ... in rebuilding them. We will probably have to re-stiffen the foundations around the perimeter and that's going to take a long time. There are certain construction windows we can't work in and a lot of details and that's why we have that very long time frame.

Commissioner Johns asked if tidal waves were taken into account on any of this.

Mr. Birrer said we've looked at tidal waves a bit, but being far down the Bay there is some dissipation. But, there's still a threat, and it's been looked at as well.

Commissioner Crayton said that since FEMA and the FAA are Federal agencies that coordination should have been between them. With respect to comments Commissioner Johns made about Hurricane Sandy in New York/New Jersey and Hurricane Katrina in New Orleans, she was concerned about what precautions would be in place in the event of flooding in Burlingame and surrounding cities.

Mr. Birrer said that in regards to an extreme storm event we have some large gaps in our sea walls where we could experience flooding.

Commissioner Crayton asked if we would work on those areas first.

Mr. Birrer said that's where we're looking at FEMA compliance in the shorter time frame ... shoring up gaps and raising those areas where the sea wall is deficient.

Commissioner Crayton asked if the $200-$300 million is all Airport funding.

Mr. Birrer replied that we don't know. If we go down this path with the Army Corps of Engineers, there may be some cost sharing, but they have to find that there's Federal interest. We've been meeting with them on this issue.

Commissioner Crayton assumed that we don't have this money budgeted.

Mr. Birrer replied that it's not currently in our Capital Plan.

Commissioner Johns asked if there are plans in the immediate future to deal with the current shortfalls, or is that still part of this long term planning?

Mr. Birrer said our existing shoreline protection study is going on right now and will finish at the end of this year. The study will define our deficiencies and at that point we'll move the process of trying to make those corrections. Given that the work is on the edge of the Bay, there are a permitting agencies we'll have to work with and there could potentially be an EIR. There is a path we will have to go down before we can do any construction and we'll move into it as quickly as we can once the study is complete.

Commissioner Johns noted that the shortfalls that we are aware of are simply an awareness and there's nothing we can do in the immediate future to correct it. It's still in the study phase. We haven't budgeted for anything, correct?

Mr. Birrer said that we've put money in the Capital Plan over the next five to ten years ... I think it's in the current Five-Year Plan to address some of the shortfalls, but we haven't reached the point where we have all the recommendations and have decided to move forward on one or more of them.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

G. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 4 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

4. Modification No. 10 (Trade Bid Package Set 8 and Change Orders No. 017 and 018) to Contract 9048A - Design-Build Services for Terminal 3 East Improvements - Hensel Phelps Construction Company - $16,762,593

No. 14-0121	Resolution authorizing Modification No. 10 (TBP Set 8 and Change Order Nos. 017 and 018) to Contract 9048A, Design-Build Services for Terminal 3 East Improvements, with Hensel Phelps Construction Co. in an amount of $16,762,593 for a new total contract amount of $144,680,936.

Geoff Neymayr, Deputy Director, Design and Construction, said this modification adds the eighth set of Trade Bid Packages (TBP) in the amount of $9 million and Change Order No. 17 and 18 in the amount of $7.8 million for a new total contract amount of $144.7 million, and increases the Type 1 Change Order Contract Contingency to $10.8 million or 7.5% of the current contract amount. TBP Set No. 8 included 4 trade packages. The overall amount of bids received was 13% under the engineer's estimate and all bids were reviewed and deemed reasonable.

This modification also provides for the approval of two Change Orders: No. 17 in the amount of $944,000 for additional design services, and No. 18 in the amount of $6.8 million for additional construction services.

Staff forecasts a cost at completion of $187.1 million. The current cost forecast is within 1% of the current budget of $187 million. Staff will continue to work with the design build team to develop cost reduction measures, including value engineering and scope reduction opportunities prior to completing the design.

The City's Contract Monitoring Division has approved a 22% subcontracting goal for design services, and a 16% LBE subcontracting goal for construction services. Hensel Phelps has committed to a 27% LBE participation for the TBPs included with this modification and is committed to meeting the overall contract LBE goals.

The forecast does not include cost implications resulting from the mitigation of unforeseen contaminated work. We estimate that, that mitigation measure could be about $10.4 million. Staff has not finalized the forecast cost of this work. Staff does intend to, once the cost is finalized, to seek reimbursement for the remediation from tenants in accordance with existing settlement agreements.

Commissioner Guggenhime asked about the contamination issue?

Mr. Neumayr replied the contamination is a result of jet fuel that previously fell down through the apron slaps, over the last 30 years. The expansion of the building in the back is where we'll have to dig out about 12 ft. of soil to remove it.

Commissioner Crayton noted it's 13% under the Engineer's Estimate and asked if we spoke with the contractor to make sure he understood the scope of work.

Mr. Neumayr replied yes. The Administrative Code allows us to meet with the successful low bidder and actually go through and make sure that they had everything covered. We want to make sure that they weren't just trying to get in under the estimate and then see what comes later. This has been very successful for the Airport. Overall, that's why we don't see a lot of change orders and a lot of claims, etc. We don't see claims because we try to be fair with everyone. We don't want anything for free, we want to make sure it's correct.

Item No. 5 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

5. Award Contract 10006.41 - Project Management Support Services for Utility and Technology System Improvements - AECOM/FEJA Joint Venture - $2,915,000

No. 14-0122	Resolution awarding a Professional Services Contract 10006.41, Project Management Support Services for Utility and Technology System Improvements, to AECOM/FEJA Joint Venture, in an amount not-to-exceed $2,915,000.

Mr. Neumayr said this item awards Project Management Support Services in the not to exceed amount of $2.9 million to AECOM/FE Jordan Associates, a J.V.

The scope of work provides Project Management Support Services for design and construction of the Utility & Technology System Improvements required for the Terminal 1 Program. The scope of services includes: review and assessment of existing infrastructure; assistance with development of scope of services required for both design and construction; project controls services, including cost and schedule management; reporting services; and, construction management and inspection services

Three proposals were received from the previously approved pool list. A selection panel was convened to rank and score both the technical qualifications and interview. Staff determined that AECOM/FE Jordan Associates, a Joint Venture was the highest qualified proposer with an LBE rating bonus.

Staff estimates that the total contract amount will be $5.43 million over 54 months. The contract will be renewed each year based on performance and staff will return to the Commission for approval of these annual renewals.

The Contract Monitoring Division has approved a 23% LBE sub-consultant participation goal, and both proposers have committee to achieving this goal.

Item No. 6 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

6. Award Contract 10050.41 - Project Management Support Services for Fire House No. 3 and South Field Checkpoint Relocation - Parsons Brinckerhoff, Inc./AGS, Inc. a Joint Venture - $1,250,000

No. 14-0123	Resolution awarding Professional Services Contract 10050.41, Project Management Support Services for Fire House No. 3 and South Field Checkpoint Relocation, to Parsons Brinckerhoff, Inc/ AGS, Inc. a J.V., in an amount not-to-exceed $1,250,000.

Mr. Neumayr said this item awards Project Management Support Services in the amount of $1.25 million to Parsons Brinckerhoff/AGS, a J.V., with a duration of 24 months.

The scope of work for this contract provides Project Management Support Services for design and construction to relocate Firehouse No. 3 and the South Field Checkpoint. These relocations are required to provide for the Airport's future need to optimize and relocate the taxiway that serves Boarding Areas A and B. The scope of services will include: project controls services, design management; and, construction management and inspection services.

Two proposals were submitted from the previously approved pool list. As we are currently in negotiations with one of the proposers to receive an award off of this pool list, there was only one proposal to review. For that reason, we did not convene a selection panel, but Staff did review the qualifications and deemed the Joint Venture to be responsive and qualified for this contract.

The Contract Monitoring Division approved a 20% LBE sub-consultant participation goal and the proposer has committed to meeting this goal.

Commissioner Johns noted that Item No. 11 is related to this and asked if we approve this then you're going to seek permission for the RFP? Is that correct?

Mr. Neumayr replied correct. Item No. 11 is for design services and this is for Project Management Support Services.

Commissioner Crayton asked if the reason it's on Consent is due to the amount.

Mr. Neumayr replied correct.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 16 was removed from the calendar without discussion. The Consent Calendar, Item Nos. 7 through 15, was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

7. Modification No. 4 to Contract 9024.9 - Construction Management Services for the

International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and International Terminal Baggage Handling System Improvements Project - CAGE, Inc. - $800,000

No. 14-0124 Resolution approving Modification No. 4 to Contract 9024.9, Construction Management Services for the International Terminal and B/A F Checked Baggage Inspection System Modernization Program and the International Terminal Baggage Handling System Improvements Project to increase the not to exceed amount by $800,000 and increase the contract completion date 180 calendar days for a new total contract amount not to exceed $7,800,000 and extending the contract 42 months to Dec. 31, 2014.

8. Modification No. 2 to Contract No. 8594A - Boarding Area 'A' 400 Hertz System Infrastructure Improvements - Schembri Construction Co., Inc. - $515,000

No. 14-0125 Resolution approving Modification No. 2 to Contract 8594A, Boarding Area 'A' 400 Hertz System Infrastructure Improvements, with Schembri Construction Co., Inc., in an amount of $515,000 for a new total contract amount of $6,443,168 and with a corresponding increase in contingency.

9. Modification No. 9 (Final Guaranteed Maximum Price) to Contract 8226A - Design Build Services for West Field Cargo Redevelopment Facility, Phase 1 - McCarthy Building Companies

No. 14-0126 Resolution approving Modification No. 9 (FGMP) to Contract 8226A, Design-Build Services for the West Field Cargo Redevelopment Facility, Phase 1, with McCarthy Building Companies, in a reduced amount of $(512,912) for a new total contract amount of $27,345,355.

10. Award Professional Services Contract 50007 - Provide Air Traffic Analysis - WJ Advisors, LLC - $300,000

No. 14-0127 Resolution awarding Professional Services Contract No. 50007 to WJ Advisors, LLC, in an amount not to exceed $300,000 for an initial term of three years to provide Air Traffic Analysis.

11. Determination to Proceed with Fire House No. 3 and South Field Checkpoint Relocation Project and Authorization to Issue a Request for Proposals for

Contract 10050.43 - Fire House No. 3 and South Field Checkpoint Relocation Design Services

No. 14-0128

Resolution determining to proceed with Fire House No. 3 and South Field Checkpoint Relocation Project and authorizing the Director to issue RFP for Contract 10050.43, Fire House No. 3 and South Field Checkpoint Relocation Design Services. This motion constitutes the Approval Action for the project pursuant to Section 31.04(h) of the San Francisco Administrative Code.

12. Authorization to Issue a Request for Proposals for Contract 50012 - Consultant Support for a Next Generation 9-1-1 Technology Study

No. 14-0129

Resolution approving issuance of a RFP for Contract 50012 for Consultant Support of a Next Generation 9-1-1 technology study and authorizing Staff to enter into negotiations with the highest ranked proposer.

13. Authorization to Accept Proposals - Foreign Currency Exchange Lease

No. 14-0130

Resolution approving revised lease specifications, minimum qualifications and proposal requirements, and authorizing Staff to accept proposals for the Foreign Currency Exchange Service Lease.

14. Reimbursement to Alaska Airlines, Inc. for the Cost of the Interim Relocation of Passenger Operations from Terminal 1 to the International Terminal - $1.3 million

No. 14-0131

Resolution approving a reimbursement to Alaska Airlines, Inc. In an amount not to exceed $1.3 million, for the interim relocation of its Passenger Operations from Terminal 1 to the International Terminal.

15. Modification No. 5 to Contract 8837 - Drug and Alcohol Testing Services - Energetix Corporation - $16,800

No. 14-0132

Resolution approving Modification No. 5 to Contract 8837 with Energetix Corporation to exercise the fifth and final option year as a third party Administrator to provide and coordinate drug and alcohol testing services in the amount of $16,800 for a total contract amount not to exceed $116,800.

16. Amendment No. 1 to Rental Car Center Café Lease No. 12-0221

Resolution approving Amendment No. 1 to the Rental Car Center Café Lease No. 12-0221, a small business set-aside, for additional premises due to the relocation of Hertz Rent-A-Car to Level 1 of the Rental Car Center.

* * *

I. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests to speak.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:37 AM.

Jean Caramatti

Jean Caramatti
Commission Secretary

SFO San Francisco International Airport

Sea Level Rise and 100 Year Flood Hazards

SAN FRANCISCO INTERNATIONAL

Agenda

I. 100 Year Flood vs. Sea Level Rise

II. Airport Shoreline Protection Feasibility Study

    -Improvement Recommendations

III. Regional Collaborative Efforts

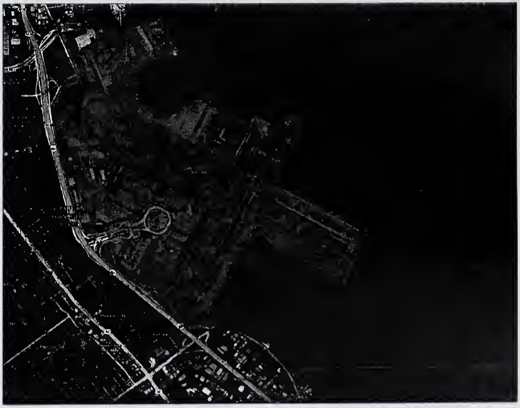
SAN FRANCISCO INTERNATIONAL

100 Year Flood

1. 2010: CCSF joined FEMA's National Flood Insurance Program
2. 2013: FEMA issued Draft Flood Insurance Rate Map
3. Fortify seawalls to meet FEMA's certification standards
4. Permitting, Design & Construction: 6-8 Years
5. Budget: $30-$50M

Legend

Zone AE	Subject to 100 year floods
Zone X	Above 500 year flood level

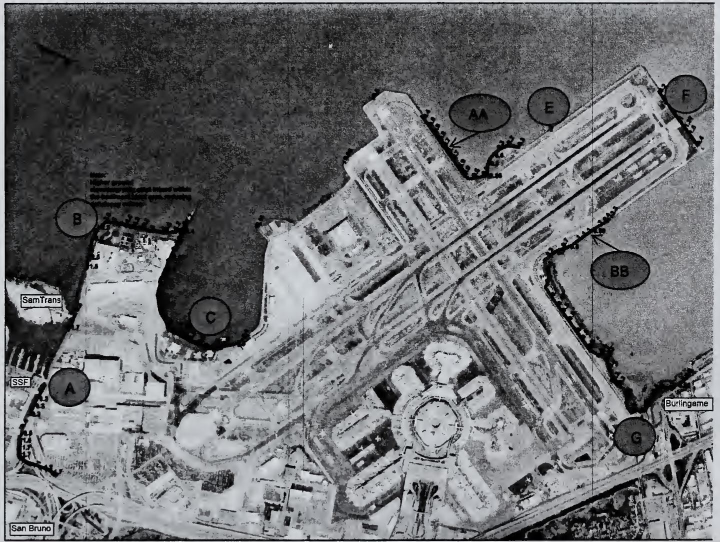


Source: FEMA – Draft FIRM issued May 2013

SAN FRANCISCO INTERNATIONAL

SFO San Francisco International Airport

100 Year Flood Improvements


AA
E
F
B
BB
SamTrans
C
SSF
A
Burlingame
G
San Bruno

For Today's 100 Year Flood

A. San Bruno Creek: Replace Flood Gate

B. Treatment Plant: Berm

C. US Coast Guard: Soldier Piles

D. Runway19s End: Seepage Wall + Embankment Protection

E. Outfall Pump Stations: Seal Gaps

F. Runways 28s End: Raise Vehicle Service Road

G. Millbrae Canal: Flood Wall

For 2030's 100 Year Flood

AA. Raise Existing wall by 6"

BB. Raise Existing wall by 6"-12"

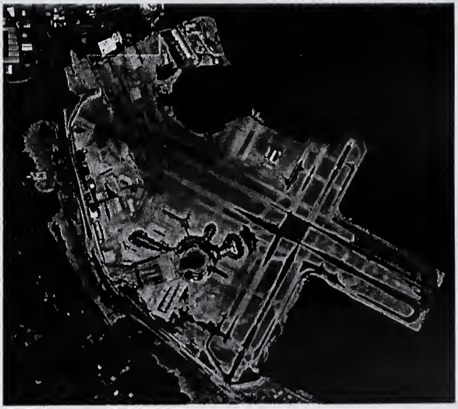
SAN FRANCISCO INTERNATIONAL

Sea Level Rise

1. Three feet of sea level rise
2. Sea level rise is daily tidal inundation
3. Consider combined effects of sea level rise &100 year flood to be in compliance with FEMA's requirements
4. Rebuild remaining seawalls
5. Permitting, Design & Construction: 10-15 Years
6. Budget: $200M - $300M
7. Protection until ~2060

Legend

Water Depth	Inundation at high tide
Low- lying Areas	Hydrologically "unconnected" areas that may flood



Source: NOAA

SAN FRANCISCO INTERNATIONAL

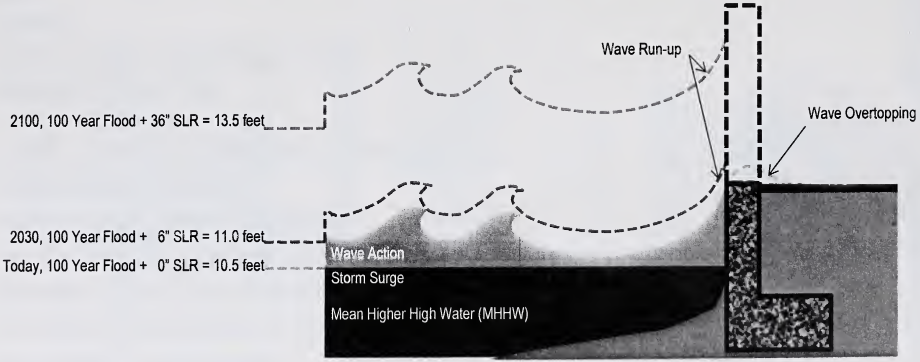
Sea Level Rise Estimates

Sea Level Rise Estimates for San Francisco Relative to Year 2000
Source: NRC (2012)

Year	Most Likely Projections (85% confidence)	Ranges
2030	**6** ± 2 in	2 to 12 in
2050	**11** ± 4 in	5 to 24 in
2100	**36** ± 10 in	17 to 66 in

SAN FRANCISCO INTERNATIONAL

100 Year Flood + Sea Level Rise (SLR)


Wave Run-up
Wave Overtopping
2100, 100 Year Flood + 36" SLR = 13.5 feet
2030, 100 Year Flood + 6" SLR = 11.0 feet
Today, 100 Year Flood + 0" SLR = 10.5 feet
Wave Action
Storm Surge
Mean Higher High Water (MHHW)

SAN FRANCISCO INTERNATIONAL

Regional Collaborative Efforts

Agencies met with:

City & County of San Francisco
U.S. Army Corps of Engineers (USACE)
San Mateo County and neighboring cities
San Francisco Bay Conservation and Development Commission (BCDC)
California State Coastal Conservancy
United States Coast Guard
Federal Emergency Management Agency (FEMA)

Agencies to reach out to:

Federal Aviation Administration (FAA)
Caltrans
BART
Burlingame

SAN FRANCISCO INTERNATIONAL

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

July 1, 2014

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
July 1, 2014

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E.	2.	Retirement Resolution - Liz Silva	14-0134	3
	3.	Retirement Resolution - Earl “Skipp” Pratt	14-0135	4
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G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	4.	Award Contract 9398 - As-needed Environmental Remediation Services - Asbestors Management Group of California	14-0136	4-5
	5.	Purchase of Oracle Primavera Unifier Project Management System	14-0137	5-7
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	6.	Award As-Needed Environmental Consulting Services:		
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	7.	Modification No. 1 to Professional Service Agreement, Contract 9349 - Add New Environmental Planning Scope of Services - Environmental Science Assoc.	14-0141	7
	8.	Amendment No. 1 to Rental Car Center Lease No. 12-0221 with Marina’s Café	14-0142	7-8
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I.		CORRESPONDENCE:		8
J.		CLOSED SESSION:		8
K.		ADJOURNMENT:		8

AIRPORT COMMISSION MEETING MINUTES

July 1, 2014

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern
Absent:	Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 17, 2014 were adopted unanimously.

No. 14-0

* * *

D. SPECIAL ITEMS:

Item No. 1 was put over to July 15, 2014.

1. Retirement Resolution for Dave Loustalot

Resolution thanking Mr. Dave Loustalot of the Facilities Division for 33 years of faithful service and to offer best wishes for a long and fruitful retirement.

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

2. Retirement Resolution for Liz Silva

No. 14-0134	Resolution thanking Liz Silva for 20 years of service to the City and County of San Francisco at San Francisco International Airport and offering best wishes for a long and fruitful retirement.

Mr. John Martin, Airport Director said Liz Silva is retiring after 20 years of service to the Airport. Liz is known for providing an outstanding level of service to all of the employees at the Airport. She was Airport Employee of the Year in 2001. I wish her well in retirement.

Item No. 3 was moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

3. Retirement Resolution for Earl "Skipp" Prack

No. 14-0135	Resolution thanking Earl "Skipp" Prack for his 12 years of service to the City and County of San Francisco at San Francisco International Airport and offering best wishes for a long and fruitful retirement.

Mr. Martin said Skipp Prack is a Senior Network Analyst retiring after 12 years with the Airport. He worked previously for 26 years with United. Skipp was known for maintaining excellent relationships with the airlines, all of the tenants at the Airport, and providing IT services.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 4 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

4. Award of Contract No. 9398 - As-Needed Environmental Remediation Services Asbestos Management Group of California - $1,210,927

No. 14-0136	Resolution awarding Contract No. 9398, As-Needed Environmental Remediation Services to Asbestos Management Group of California, Inc., in an amount not to exceed $1,210,927.

Mr. Geoff Neumayr, Deputy Director, Design and Construction said this item awards an As-Needed Remediation Services contract in the amount of $1.2 million to Asbestos Management Group of California. The scope of work for this contract provides services on an as-needed basis to remediate identified contaminated material to protect the health and safety of people and comply with environmental regulatory requirements that are identified during implementation of the capital program. One bid was received in the amount of $1.2 million from the Asbestos Management Group of California and the bid was deemed responsive and under the Engineer's estimate of $1.5 million. The City's Contract Monitoring Division approved a 13% LBE sub contracting goal and Asbestos Management Group has committed to achieving a 37% sub contractor participation. Staff is also requesting approval of $121,000 in Type 1 contingency for this contract.

Commissioner Guggenhime asked why did you only get one bid?

Mr. Neumayr said this is the second time we've gone all out for this contract. We received no bids the first time and only one bid this time. We feel it might be because this is such a low volume of work, and it's as-needed so there's no guarantee of work, that the time and investment that goes into putting a bid together somewhat restricts the pool of available bidders. Again, this is an as-needed contract to take care of one off-things. We're very comfortable with it.

Commissioner Guggenhime said this is $300,000 below the Engineer's estimate. That's good. Thank you.

Item No. 5 was moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

5. Authorize the Purchase of Oracle Primavera Unifier Project Management System - $1,062,000

No. 14-0137	Resolution authorizing the purchase, with the Purchaser's approval, of the Oracle Primavera Unifier Project Management System for 250 hosted named users for a period of 36 months from Oracle America, Inc. in the amount not to exceed $1,062,000.

Mr. Neumayr said this item seeks approval to purchase 250 hosted licenses for a period of 36 months for Oracle's Primavera Unifier Project Management System in the amount of $1.1 million. This project management system will provide a state of the art system to manage the upcoming Airport Capital Project Program. The system will allow us to automate and provide consistent reporting and cost control across all of our individual projects, and at the program level and enterprise level on a real time basis. The Unifier System is capable aligning with all of the Airport's different project delivery systems and is adaptable through scalability to a wide variety or projects. On May 8th the Airport received a sole source waiver from the City Controller's office for the purchase of the Oracle Primavera Unifier System. Staff evaluated a number of project management systems against a number of criteria requirements needed to manage a large capital program within the aviation environment. Those requirements included an open architecture framework to adapt to the Airport's changing requirements; the ability to segregate cost by funding sources against budget, funding and contracts and the ability to organize the Capital Program portfolio by program area, project level, and work phase codes that are consistent with the City's FAMIS accounting system.

Oracle Primavera was the only system that met our requirements. Unifier is currently the only project management system for other large scale capital programs at other major airports throughout the United States, including Dallas/ Forth Worth, Denver International, Honolulu airports, as well as Phoenix Sky Harbor. The purchase is for 250 hosted named licenses for a cloud-based system that will be hosted and maintained by Oracle for a period of 36 months. The system will be utilized by Airport Commission staff and our consultants, as authorized by the Airport.

Commissioner Stern asked if we purchase the perpetual license that we're then hosting, or are we leasing the software and the software is a service type of ...?

Mr. Neumayr replied it's a cloud service straight to them. They will be on the cloud and the data will be there and everywhere else.

Commissioner Stern asked if we renegotiate after three years.

Mr. Neumayr replied yes.

Commissioner Johns asked how this will work. Will staff be inputting it, will the Accounting department and our architects and our contractors be accessing it. I understand how it works.

Mr. Neumayr said that the system will be used by Airport Commission staff and consultants will have access to various parts of the system.

Commissioner Johns asked why consultants? What about contractors and sub-contractors?

Mr. Neumayr said construction management firms, architects, and contractors. They have certain fields of information they have to put in. For example, let's say that they're going to submit a Change Order to us for work. They have to submit the Change Order via the system with all the backup data so it gets automatically entered rather than putting it on paper. When staff receives it, for example, they have a number of items that are required to create an audit package for that particular contract, so then they would generate, for example, a finding of fact or record of negotiations, issue a PCO and a Change Order. They also obtain all the approvals for it and as the approval process occurs there are no longer pieces of paper going through people, but rather via email and get signed off on. I keeps a consistent automated trail of where everything goes.

Commissioner Johns asked if some people will have access only and others will be able to have access plus input, and there will be different categories for who's doing what ... is that correct?

Mr. Neumayr replied yes. Access will be controlled on who needs to see what information, when, what they can actually input in, as well as what projects they have. For example, if you're on a project team you will be locked out of other projects but you'll have access to the reports that come out of the system. The way the system is set up, we can mix and match any way we choose to see if it fits our needs.

Commissioner Johns said it sounds good, but it also sounds like there could be some pitfalls in the beginning.

Mr. Neumayr said it's been challenging. We talked to a number of other airports that had challenges, but one unique thing that has been identified by our implementor is that we developed really solid policies and procedures. We're actually making this match the way we do business. We feel like we're in a good position. We were actually looking for a system that fit the way we wanted to do business. We did not want to have to revise the way the City does business in order to fit the software.

Commissioner Johns asked if this will help us to know if we're on budget with certain projects. Will it provide that type of financial information?

Mr. Neumayr replied it does. And it helps us to keep track of our cost models against our budgets, making sure we have sufficient funding in place to make payments as well as forecast the cost of all of our individual projects.

Commissioner Johns asked if 250 was determined to be a sufficient number for us to put all the different entities in who are going to be using this.

Mr. Neumayr replied it is. We went through all the departments and different projects and took a count and we believe this is a good starting point. The number at three years could go up or it could go down, and we'll make that evaluation at that point and time.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 6 thru 8, was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

6. Award Three As-Needed Environmental Consulting Services Contracts Contract No. 9399.50 - Haley & Aldrich, Inc.; Contract No. 9399.51 - Ninyo & Moore; Contract No. 9399.52 - SCA Environmental, Inc. - $500,000 per contract

No. 14-0138 No. 14-0139 No. 14-0140	Resolutions awarding As-Needed Professional Services Contracts for Environmental Consulting Services to: Haley & Aldrich, Inc. (Contract 9399.50) Ninyo & Moore (Contract 9399.51) and SCA Environmental, Inc. (Contract 9399.52) in the amount of $500,000 each for a duration of 5 years.

7. Modification No. 1 to Professional Services Agreement, Contract 9349 to Add New Environmental Planning Scope of Services - Environmental Science Associates - $690,000

No. 14-0141	Resolution approving Modification No. 1 to Professional Services Agreement with Environmental Science Assoc. to add new CEQA Environmental Planning Service tasks and increase contract amount by $690,000, for a total contract amount not to exceed $1,223,000.

8. Amendment No. 1 to the Rental Car Center Lease No. 12-0221 with Marina's

Cafe, a Small Business Set-Aside

No. 14-0142

Resolution approving Amendment No. 1 to Rental Car Center Café Lease No. 12-0221, with Marina's Café a Small Business Set-Aside, for additional premises due to the relocation of Hertz Rent-A-Car to Level 1 of the Rental Car Center, and seeking a waiver of the competitive leasing requirement under Administrative Code section 2A.173.

* * *

H. NEW BUSINESS:
Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

* * *

I. CORRESPONDENCE:
There was no discussion by the Commission.

* * *

J. CLOSED SESSION:
There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

K. ADJOURNMENT:
There being no further calendared business before the Commission the meeting adjourned at 9:12 AM.

Jean Caramatti

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

July 22, 2014
Special Meeting
9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Special Meeting of
July 22, 2014

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
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D.		SPECIAL ITEMS:		
	1.	Retirement Resolution- Dave Loustalot	14-0144	4
E.		DIRECTOR'S REPORT:		
	2.	SFO BART Employee Discount Program Update		5
F.		ITEMS INITIATED BY COMMISSIONERS:		5
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	3.	Modification No. 13 (Establish Final GMP) to Contract 9015A - Design-Build Services for Replacement Airport Traffic Control Tower and Integrated Facilities - Hensel Phelps Construction Company	14-0145	5-6
	4.	Modification No. 11 (TBP Set 9 and Change Order Nos. 020 and 021) to Contract 9048A - Design-Build Services for Terminal 3 East Improvements - Hensel Phelps Construction Company	14-0146	6-7
	5.	Amend Resolution 09-0137 and 13-0013 - Authorize Sale of Additional $578,565,000 Aggregate Principal Amount of Previously Approved Airport Revenue Bonds to Finance Capital Projects; Adopt Final Negative Declaration of Multi-Modal Transportation Projects and Airfield Improvements & Environmental Findings; and Determination to Proceed with Certain Capital Plan Projects	14-0147	7-9
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	6.	Award Contract 10051.41 - Project Management Support Services for South Field Tenant Relocations - PMA Consultants LLC	14-0148	9
	7.	Issue a RFP for Contract 10051.43 - South Field Tenant Relocation Design Services	14-0149	9

d. Modification to Contract 8354.1 - Airport Shoreline Protection Fe ility Study - Moffatt & Nichol + AGS, Joint Venture 14-0150 9-10

Issue a RFQ tablish a Pool of Firms to Provide Investment A ry Services Relating to Airport Bond Funds 14-0151 10

). Adopt 2013 S rancisco Bay Area Integrated Regional Wa anagement Plan to Request State Grant Fundin 14-0152 10

. eject Bid for estic Banking Services Lease 14-0153 10

. imburse U Airlines for SFO Safety Training ne Rudde air 14-0154 10

I. NE BUSINES 10

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K. CL SED SESS
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L. ADJOURNMENT 11

AIRPORT COMMISSION SPECIAL MEETING MINUTES
July 22, 2014

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 1, 2014 were adopted unanimously.

No. 14-0143

* * *

D. SPECIAL ITEMS:

Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Crayton. The vote to approve was unanimous.

1. Retirement Resolution for Mr. Dave Loustalot

No. 14-0144	Resolution thanking Mr. Dave Loustalot of the Facilities Division for 33 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. John Martin, Airport Director said Dave was still unable to be here today. Dave has retired after 33 years of service with the City, including 30 years at the Airport. He started as a auto mechanic, transferred to the Airport as an Operating Engineer, was promoted several times to become Assistant Facilities Director in 2005 and continued in that job for nine years. Dave showed great leadership, dedication, and an exceptionally strong work ethic. He was liked and admired by all of the other employees at the Airport. We thank Dave for his outstanding service to the Airport.

Commissioner Mazzola congratulated Mr. Loustalot and was sorry he couldn't be at the meeting.

* * *

E. DIRECTOR'S REPORTS:

2. SFO BART Employee Discount Program Update

Mr. Martin said that this is a one year report on the program. We made a bet and we won. We bet that if BART did away with the $1.50 surcharge ($3.00 round trip) for all Airport employees that ridership would increase and the net increase would be so great that it would be a net gain for BART. We guaranteed that we would make up any loss in revenue incurred. We realized that we would have to see a 43% increase in ridership, but, in fact, we're seeing about a 70% increase in ridership so we're not having to pay any subsidy to BART whatsoever. We're now up to about 180,000 employee trips a year on BART. That's a lot of cars off the road, a lot of reduction in greenhouse gas emissions, and it shows we're doing the right thing ... not overcharging employees. It's a win for everyone.

Commissioner Johns asked how the program is monitored.

Mr. Martin said that employees have to register to buy a fare card at a discounted rate, without the surcharge. Each trip is counted.

Commissioners agreed it was wonderful.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. Modification No. 13 (Establish Final Guaranteed Maximum Price) to Contract No. 9015A - Design-Build Services for Replacement Airport Traffic Control Tower and Integrated Facilities - Hensel Phelps Construction Company - $22,034,394

No. 14–0145	Resolution approving Modification No. 13 (establish Final Guaranteed Maximum Price) to Contract 9015A, Design-Build Services for Replacement Airport Traffic Control Tower and Integrated Facilities with Hensel Phelps Construction Company in the amount of $22,034,394, for a new total contract amount of $122,184,894.

Mr. Geoff Neumayr, Deputy Director, Design and Construction said this Modification provides for the Final Guaranteed Maximum Price (GMP) in the amount of $122 million for the Air Traffic Control Tower. In accordance with the Administrative Code, the final GMP was negotiated at the conclusion of the competitive bid process which included buyout of 92.5% of the trade packages.

The final GMP was negotiated by staff with Hensel Phelps to assume the remaining risk to complete the project including appropriate levels of contingency to cover any scope gaps, design errors, emissions, construction coordination, and non-Airport initiated changes.

The proposed final GMP incorporates all cost and schedule impacts from various design iterations and unforeseen ground conditions that occurred during the beginning of construction. A 48-day time extension has been included in the GMP which extends the substantial completion date to January 28, 2015 and a final completion date and turnover to the FAA on May 2, 2015. This revised turnover date remains six months ahead of the agreement that we made with the FAA in the OTA (Other Transaction Agreement). The project forecast, including proposed final GMP, is $143 million which is within the approved budget. Appropriate cost contingencies are maintained within the project forecast. Staff also recommends approval of Type 1 contingencies in the amount of $9.2 million. This contingency amount is included in the project forecast that I stated above and it will be used for any Type 1 contingencies over and above what's included in the GMP.

At project completion, Airport staff will meet with Hensel Phelps and reconcile any unused cost in the GMP and those monies will be returned to the Airport. Any cost in excess of the final GMP for the agreed upon scope will be the responsibility of Hensel Phelps in accordance with the terms and risk allocations of the final GMP change order.

Given the Federal funding component of this contract, the Airport encouraged best efforts to subcontract at least 10% of the work to certified small businesses and disadvantage businesses. Hensel Phelps is committed to achieving 50% certified small and disadvantage business subcontractor participation for this contract.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Modification No. 11 (Trade Bid Package Set 9 and Change Orders No. 020 and 021) to Contract 9048A - Design-Build Services for Terminal 3 East Improvements - Hensel Phelps Construction Company - $9,568,596

No. 14-0146	Resolution approving Modification No. 11 (Trade Bid Package Set 9 and Change Order No. 020 and 021) to Contract 9048A, Design-Build Services for Terminal 3 East Improvements, with Hensel Phelps Construction Company in an amount of $9,568,596 for a new total contract amount of $154,249,532.

Mr. Neumayr said this modification adds the 9th set of Trade Packages in the amount of $6 million and Change Order Nos. 20 and 21 in the amount of $3.5 million, to revise the contract amount to $154 million. It also includes revising the Contract Change Order contingency amount to $11.5 million, or 7 ½% of the current contract amount.

Trade Package Set No. 9 includes five different trade packages and the overall total amount of the bids received was 15% under the Engineer's estimate and all of the bids were reviewed and deemed reasonable and responsive.

This modification also provides for two Change Orders, one for design services in the amount of $500,000 and the other for additional construction services in the amount of $3 million.

Staff is forecasting a cost of completion of $200.1 million at this time. The current forecast is within 3% of the current budget of $195.5 million. Staff will continue to work with the design build team to develop effective cost reduction measures prior to completing design and will update the Commission on the result of those efforts.

The City's Contract Monitoring Division has approved a 20% subcontracting goal for design services and a 16% LBE subcontracting goal for construction services. Hensel Phelps has committed to a 17% LBE participation for the Trade Bid Packages included in this modification and is committed to meeting the overall goals of this project.

The forecast does include cost implications resulting from the mitigation of unforeseen contaminated soil. Staff has not finalized the forecast for the cost of this work. We do intend to seek reimbursement for the remediation cost from tenants in accordance with the existing settlement agreement.

Commissioner Guggenhime assumed that we don't know what the remediation cost reimbursement will be because we don't know the cost, correct?

Mr. Neumayr replied correct, but I can assure you that it is less than what we thought it was going to be. We originally forecast it at about $10.7 million. We know some of the initial bids were getting in, we just haven't finalize it yet.

Commissioner Johns asked is this will impact completion of the project.

Mr. Neumayr replied it will. We have a revised date ... we were originally scheduled for July 22nd completion. The new scheduled date is now November 18.

Commissioner Crayton asked if this is the last change order we're expecting on this particular contract.

Mr. Neumayr said there will probably be some additional change orders because of the fast tracking of the project. There are some design and construction service packages that go out in advance because we're trying to expedite the schedule at the same time. Some of that scope gets picked up within those trade contracts after award. But it should begin to settle down.

Commissioner Crayton assumed that they were not included in the originals.

Mr. Neumayr replied that's correct.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

5. Amend Resolution No. 09-0137 and No. 13-0013 to Authorize the Sale of an Additional $578,565,000 Aggregate Principal Amount of Previously Approved Airport Revenue Bonds to Finance Capital Projects; Adoption of Final Negative Declaration of Multi-Modal Transportation Projects and Airfield Improvements and Environmental Findings; and Determination to Proceed with Certain Capital Plan Projects

No. 14-0147

Approval of "Series 2014 Bond Sale Resolution" amending Resolution Nos. 09-0137 and 13-0013 authorizing the sale of $578,565,000 principal amount of previously approved Airport Capital Plan Bonds to finance and refinance the construction, acquisition, equipping and development of Airport capital projects and authorize certain related actions in connection therewith; adopt Final Negative Declaration for multi-modal transportation projects and airfield improvements and environmental findings; determination to proceed with certain Capital Plan projects.

The determination to proceed with certain Capital Plan projects constitutes the approval action for those projects for purposes of Chapter 31 of the San Francisco Administrative Code.

Mr. Leo Fermin, Chief Business and Finance Officer, said this item authorizes the sale of an additional $578.6 million in bonds for projects in the approved Capital Plan. Of the previous bond authorizations, there remains an unused $144.8 million in authorizations. So combined with today's authorization, we will be able to sell an additional $723.4 million in bonds. However, currently we think that the next bond sale will likely be in the $590-$610 million range. We'll be making credit rating agency presentations for the next bond sale around the third week of August. Also towards the end of August, we will hold potential investor tours of the Airport. We are aiming to have the bond sale in mid October. The three largest funding uses from the October bond sale will be $129.7million for the Terminal 3 East Checkpoint Reconfiguration Project; $80.6 million for the Runway Safety Area Project and $77.5 will be used to fund the remaining work of the Air Traffic Control Tower Project. The resolution also makes the final Negative Declaration for a category of projects in the Master Plan because we are now proceeding with a second Long Term Parking Garage, the AirTrain extension to Lot D, and certain Airfield projects. These projects are shown in Attachment A of your Memorandum.

Commissioner Johns asked if the $77 million is reimbursed with Federal funds.

Mr. Fermin said the Federal government will be reimbursing about 65% of the entire project cost.

Commissioner Johns asked how the money will come back to us once the bonds are sold.

Mr. Fermin said that as we make payments on the construction contract we would then turn around and seek reimbursements from the Federal government.

Commissioner Johns ... but then where does that money go?

Mr. Fermin ... the reimbursement goes back into our bond fund.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 6 through 12, was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

6. Award of Contract No. 10051.41 - Project Management Support Services for South Field Tenant Relocations - PMA Consultants LLC - $779,673

No. 14-0148	Resolution awarding professional services Contract 10051.41, Project Management Support Services for South Field Tenant Relocations, to PMA Consultants LLC, in an amount not to exceed $779,673.

Commissioner Crayton asked if we've used PMA for Project Management in the past.

Mr. Neumayr said PMA is new to the Airport.

Commissioner Crayton asked what PMA stands for.

Mr. Neumayr said I am not sure ... I think it's just PMA Consultants.

Commissioner Crayton asked who the Principals are.

Mr. Neumayr replied Bruce Stevenson, I believe, is the Principal of the company.

7. Authorization to Issue a Request for Proposals for Contract No. 10051.43 - South Field Tenant Relocation Design Services

No. 14-0149	Resolution authorizing the Director to issue a Request for Proposal for Contract No. 10051.43, South Field Tenant Relocation Design Services.

8. Modification No. 1 to Contract No. 8354.1 - Airport Shoreline Protection Feasibility Study - Moffatt & Nichol + AGS, Joint Venture - $344,380

No. 14-0150	Resolution approving Modification No. 1 to Contract No. 8354.1, Airport Shoreline Protection Feasibility Study with Moffatt & Nichol + AGS, Joint Venture for additional services in an amount of $344,380, for a new total contract amount of $844,380.

9. Authorization to Issue a Request for Qualifications to Establish a Pool of Firms to Provide Investment Advisory Services Relating to Airport Bond Funds

No. 14-0151	Resolution approving a RFQ to establish a pool of firms to provide investment advisory services in connection with the Airport's Bond program.

10. Adoption of the 2013 San Francisco Bay Area Integrated Regional Water Management Plan to Request State Grant Funding for $750,000

No. 14-0152	Resolution adopting the 2013 San Francisco Integrated Regional Water Management Plan (IRFMP) to request State Grant Funding for $750,000

11. Rejection of Bid for the Domestic Banking Services Lease

No. 14-0153	Resolution rejecting bid for the Domestic Banking Services Lease.

12. Reimburse United Airlines for SFO Safety Training Plane Rudder Repair - $75,000

No. 14-0154	Resolution approving a one-time rent credit reimbursement to United Airlines under Lease and Use Agreement L10-0097, in an amount not to exceed $75,000, to repair the rudder on the SFO safety training plane.

* * *

I. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

A motion was made by Commissioner Crayton to go into closed session and was seconded by Commissioner Stern. The vote was unanimous and the closed session began at 9:18 A

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION/ PROSPECTIVE SETTLEMENT

(a) Public comment on all matters pertaining to this agenda item.

(b) Discussion and vote in open session pursuant to the Brown Act (California Governmen Code Section 54956.9) and the Sunshine Ordinance (San Francisco Administrative Code Section 67.10(d) on whether to invoke the attorney-client privilege and conduct closed session to confer with legal counsel. ACTION ITEM.

(c) [PROSPECTIVE CLOSED SESSION]
CONFERENCE WITH LEGAL COUNSEL regarding anticipated litigation as defendant and proposed settlement. Significant exposure to litigation pursuant to California Government Code Section 54956.9(d)(2), and San Francisco Administrative Code Section 67.10(d)(2): Bay Area Air Quality Management District, claimant, against the San Francisco Airport Commission. Proposed settlement in the amount of $15,000. ACTION ITEM.

There are no other planned agenda items for a Closed Session. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commissio after the agenda was issued and which is an item appropriately addressed in Closed Sessio the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshin Ordinance (San Francisco Administrative Code Section 67.11).

(d) [RECONVENE IN OPEN SESSION]
   (i) [IF APPLICABLE] Report on action taken in closed session required by the Brown Act (Government Code Section 54957.1(a) and the Sunshine Ordinance (San Francisco Administrative Code Section 67.12(b)).

   (ii) Discussion and vote whether to disclose any or all discussions held in closed session (San Francisco Administrative Code Section 67.12(a)). ACTION ITEM.

The Commission went back into open session at 9:25 AM. A motion to disclose the action taken in closed session was made by Commissioner Crayton and seconded by Commissioner Stern. The vote to disclose the action was unanimous. The Commission Secretary announced the unanimous approval of the settlement. No. 14-0155

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned 9:27 AM.

Jean Caramatti

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

August 5, 2014

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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Minutes of the Airport Commission Meeting of August 5, 2014

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
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B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Special meeting of July 22, 2014	14-0156	
D.		ITEMS INITIATED BY COMMISSIONERS:		3
E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Award Contract 9404 - Annual Subscription Service for Airport Mass Notification & Emergency Response Management System - Everbridge, Inc.	14-0157	3-4
	2.	Accept Proposals for a Branded Hotel Operator	14-0158	4-6
	3.	Modification No. 2 to Contract 9076 - Marketing Services - The M-Line	14-0159	6-7
	4.	Modification No. 1 to Contract 9097R - Communications Services - Burson-Marsteller	14-0160	6-7
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	5.	Award Contract 9005B - As-Needed Architectural & Engineering Support Services - Hamilton + Aitken Architects	14-0161	8
	6.	Issue a RFP for Contract 10593.50 and 10593.51 - As-Needed Engineering Support Services	14-0162	8
	7.	Modification No. 1 to Contract 9242 - SAFE Identity Management Software Upgrade, Maintenance, & Support Agreement - Quantum Secure, Inc.	14-0163	8
	8.	Bid Call - Contract 8593 - Boarding Area 'G' 400 Hertz System Infrastructure Improvements	14-0164	8
G.		NEW BUSINESS:		8
H.		CORRESPONDENCE:		9
I.		CLOSED SESSION:		9
J.		ADJOURNMENT:		9

AIRPORT COMMISSION MEETING MINUTES
August 5, 2014

A. CALL TO ORDER:
The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern

* * *

C. ADOPTION OF MINUTES:
The minutes of the special meeting of July 22, 2014 were adopted unanimously.

No. 14-0156

* * *

D. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

E. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

1. Award Contract 9404 - Annual Subscription Service for Airport Mass Notification and Emergency Response Management System - Everbridge, Inc. - $305,649

No. 14-0157	Resolution awarding Contract No. 9404, Annual Subscription Service for Airport Mass Notification and Emergency Response Management System, to Everbridge, Inc in an amount not to exceed $305,649 for a period of five years, with one 2-year options exercisable at the sole discretion of the Commission.

Mr. Jeff Littlefield, Deputy Director, Operations & Security said we are requesting award of Contract No. 9404 to Everbridge, Inc. for Annual Subscription Service for Airport Mass Notification and Emergency Response Management System. This system would replace the current SFO Alert which has limited one-way notification capability and uses older technology. Everbridge is a much more comprehensive and reliable system that uses advanced technology that better meets the needs of our complex Airport environment. This dynamic system allows for wide-range or targeted communication. It has GIS capabilities, allowing for messaging to any smart phone device within a defined geographic area, two-way communication, transmits advanced graphics and images and has a social media monitoring component as well. It can be used regularly for communication and information before, during and after an event and can be used for both emergencies and non-emergencies, ensuring that we reach the right people at the right time. As Safety and Security remains our number one core value and our highest priority, the Everbridge Mass Notification and Emergency Response System would be a key component of our overall Emergency Response and Safety Preparedness Plan. Therefore, I ask the Commission to award Contract 9404, Annual Subscription Service for Airport Mass Notification and Emergency Response System to Everbridge, Inc. for a term of five years commencing August 15, 2014 in an amount not to exceed, $305,649, with one two-year option exercisable at the sole discretion of this Commission.

Commissioner Johns asked how long it will take to put into effect, and where else is this system being used so that we know it's better than our current system.

Mr. Littlefield said that it will go into effect August 15th and it will take the place of the current SFO Alert system. Tthere's no hardware or anything that physically needs to come to the Airport. Boston currently uses it and there are a number of other large airports that use it as well with favorable feedback.

Commissioner Stern asked so the $305,000, that's for subscription fees only, or is there any carve out on zero implementation?

Mr. Littlefield said it's the subscription service. There's nothing to install.

Item No. 2 was moved by Commissioner Guggenhime and seconded by Commissioner Crayton. The vote to approve was unanimous.

2. Authorization to Accept Proposals for a Branded Hotel Operator and to Negotiate a Hotel Management Agreement and Related Agreements

No. 14-0158	Resolution authorizing staff to accept proposals for a Branded Hotel Operator and to negotiate an agreement and related agreements with the highest ranked proposer.

Mr. Leo Fermin, Chief Business and Finance Officer said we issued the RFP for a Hotel Operator on May 20th and a pre-proposal conference was held on June 3rd. Twelve different hotel companies attended, plus nine non-hotel companies. Our Hotel project has generated a lot of interest in the industry. After the pre-proposal conference we received a total of 62 questions, many of which were seeking detailed clarification to items discussed in the RFP, demonstrating that the companies were seriously reading the RFP package and were clearly thinking through many of the points covered in it. We responded to all of the questions in an addendum and we do not recommend any changes be made to the RFP as a result of the pre-proposal conference and the questions that were subsequently submitted. With your approval, we will let the interested parties know that we are authorized to receive proposals on Friday, August 8th. Since the RFP was issued, proposers have had 11 ½ weeks to prepare their proposals. We plan to come before you to award the Operator contract in January 2015 at the very latest. We will also be coming to you in January for approval to issue RFPs for Project Management and Design Build services. We plan to involve the selected Operator in developing the RFP specifications for these contracts.

Commissioner Johns asked how much time did they have to respond to the RFP after the 62 questions were answered?

Mr. Fermin said about four weeks from the time we issued the addendum.

Commissioner Johns asked if there were questions after the addendum.

Mr. Fermin replied no, not that I'm aware of.

Commissioner Johns asked if they knew at the time that August 8th was the deadline.

Mr. Fermin replied that they have always known August 8th was the deadline. Even before the RFP was issued on May 20 we had told them informally that we're planning to set August 8th as a deadline for submission to the RFP. All of the companies have been aware of the deadline for quite some time.

Commissioner Guggenhime noted that 12 hotel companies and nine non-hotel companies attended the conference.

Mr. Fermin replied that's correct. A great deal of interest.

Commissioner Crayton asked who is working with you to determine which is the best bid. Are you considering someone that's not in the hotel business, and why would we consider someone not in the hotel business to be the hotel operator.

Mr. Fermin said that we're putting together an evaluation panel and two people have been identified that have experience in the hotel hospitality business. One individual is an academic from a Hotel Management Department at a local university, the other is a person very familiar with the hospitality industry. We've also hired Jones, Lang, and LaSalle, hotel advisors and hotel consultants, to advise us on all aspects of the hotel development. In addition, we hired an in-house Hotel Manager who will also be advising the selection panel. He came from the hotel industry and has a lot of experience.

Commissioner Crayton asked if he is high level in the industry.

Mr. Fermin replied yes, very high level and he's on our staff. He reports directly to me and he will be responsible for overseeing the selection process as well.

Mr. John Martin, Airport Director, said that we also have a Hotel Advisory Committee.

Mr. Fermin added that the Hotel Advisory Committee consists of experts from the industry and they meet with us to review developments in our project.

Mr. Martin said that Rick Swig is on that committee as well as Tom Keeley, the number two person at S.F. Travel.

Mr. Fermin said that the retired former General Manager of the Airport Marriott Hotel is also a member of the Committee.

Commissioner Johns asked if the consultant we hired have also done consulting work for any of these hotels.

Mr. Fermin did not know for sure, however, the consultant is not part of the selection panel. They are advising staff on more technical matters such as the demand forecast, the analysis of the optimal size of the hotel, how many rooms, etc. They're not advising the selection panel directly, they're advising staff.

Commissioner Johns said that the questions she and Commissioner Crayton raise speak to the issue of objectivity and asked if the consultant can make a determination as to who would be the best Hotel Operator.

Mr. Fermin said that is our goal ... we're trying to seek those individuals.

Commissioner Johns was concerned about a conflict of interest.

Mr. Martin said that Jones LaSalle has had done work for almost every hotel operator. They're doing background, financial, market analysis. They're doing so much business with everyone that they're objectively neutral.

Mr. Fermin said that they are not on the selection panel.

Item Nos. 3 and 4 were called together. They were moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. Modification No. 2 to Contract No. 9076 - Marketing Services - The M-Line - $900,000

No. 14-0159	Resolution approving Modification No. 2 to Contract 9076, Marketing Services, with The M-Line to extend the contract term for an seven months to align with FY14/15 and increase the total compensation payable by an amount not to exceed $900,000, for a new total not to exceed amount of $4,820,000.

Ms. Kandace Bender, Chief Communications & Marketing Officer said that we called these two items together because we see this as Step1 in our desire to fundamentally change the way we do Marketing and Communications. We currently have two contracts ...one with Burson-Marsteller, a communications firm that has helped us with a lot of our digital growth and our digital assets. They redesigned our website, put together our mobile applications, developed a whole new program for China, among other things. The second contract is with The M-Line which provides marketing support for both internal and external campaigns. Both of these contracts are for three years, with two, two-year options to renew. We are coming up on the end of the first three years for both contracts. The M-Line expires in November and Burson-Marsteller expires in January. What we are asking today is not to extend either one of these contracts via a two year option, but rather to provide a short term five month bridge contract for Burson-Marsteller and seven months maximum for The M-Line so that we have an opportunity, without interruption to our marketing and communications services, to establish a pool of qualified marketing and communications firms. We will issue an RFQ in the coming month and select a maximum of five firms for the pool from which we can draw for any of our communications and marketing functions. This will allow us to approach all of our communications and marketing campaigns through a project driven process rather than a function process. Increasingly, we're finding that as these divisions grow, the communications team is functioning on one side and the marketing team is functioning on the other. They do integrate and work together but we feel it would be more seamless if the communications and marketing teams were drawn from the same pool of people. For instance, if we had a new international carrier starting we would select a firm to prepare the communications and marketing functions for that project rather than draw from a marketing contract for part of it and a communications contract for the other.

What we are seeking today is a short term extension of these two contracts so we can continue to provide the services that we need while we go through the RFQ process. We will seek Commission approval when we have the scope of work.

Commissioner Crayton asked if the team has done a project management module. It needs to be seamless with one message going out and everyone understands the goals. I thought that's what I heard.

Ms. Bender commented you said it very well. That's exactly what we're planning to do. However, we need a bridge contract to avoid an interruption in services because it will take us a few months to put all of that together.

Commissioners thought it was a great idea.

4. Modification No. 1 to Contract No. 9097R - Communications Services - Burson-Marsteller - $675,000

No. 14-0160	Resolution approving Modification No. 1 to Contract No. 9097R, Communications Services, with Burson-Marsteller to extend the contract term for five months to align with FY14/15 and increase the total amount payable by an amount not to exceed $675,000 for a new total not to exceed amount of $2,475,000.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 5 through 8, was moved by Commissioner Johns and seconded by Commissioner Crayton . The vote to approve was unanimous.

5. Award of Contract No. 9005B - As-Needed Architectural and Engineering Support Services - Hamilton + Aitken Architects - $1,200,000

No. 14-0161 Resolution approving award of Professional Services Contract 9005B, As-Needed Architectural and Engineering Support Services to Hamilton + Aitken Architects in an amount not to exceed $1,200,000.

6. Authorization to Issue a Request for Proposals (RFP) for Contract Nos. 10593.50 and 10593.51 As-Needed Engineering Support Services

No. 14-0162 Resolution authorizing the Director to issue a RFP for As-Needed Engineering Support Services for Contract Nos. 10593.50 and 10593.51, and to negotiate with the highest ranked proposers.

7. Modification No. 1 to Contract 9242 - SAFE Identity Management Software Upgrade, Maintenance, and Support Agreement - Quantum Secure, Inc. - $128,945

No. 14-0163 Resolution approving Modification No. 1 to Contract 9242 with Quantum Secure, Inc. for SAFE Identity Management Software Upgrade, Maintenance and Support Agreement in the amount of $128,945 for a new total contract amount not to exceed $1,294,665.

8. Bid Call - Contract 8593 - Boarding Area 'G' 400 Hertz System Infrastructure Improvements

No. 14-0164 Resolution approving scope, budget, and schedule for Contract No. 8593, Boarding Area 'G' 400 Hertz System Infrastructure Improvements, and authorizing the Director to call for bids when ready.

* * *

G. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:17 AM.

(Original signed by:)
Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

August 19, 2014

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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Minutes of the Airport Commission Meeting of
August 19, 2014

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	1.	Analysis of Airline Traffic for Fiscal Year 2013/2014		3-5
	2.	SFO Clean Vehicle Policy Update		5
E.		ITEMS INITIATED BY COMMISSIONERS:		5
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	3.	Modification No. 1 to Contract 8841R - Ground Transportation & Taxi Management System - TransCore	14-0166	6-8
	4.	Delegate Authority to Director to Enter into "Section 559" Reimbursable Fee Agreement with U.S. CBP	14-0167	8
	5.	Amendment No. 1 to Domestic Terminal Food & Beverage Lease No. 03-0201	14-0168	8-9
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	6.	Modification No. 1 to Contract 9252 - Monitor Dynamics, Inc. Access Control System Software Maintenance and Support Agreement - LDM Engineering, Inc.	14-0169	9
	7.	Modification No. 1 to Contract 9082 - JOC Implementation Services - The Gordian Group	14-0170	9-10
	8.	Modification No. 1 - Contract 8519A - B/A "G" A380 Improvements Phase A, Golden Gate Constructors	14-0171	10
	9.	Issue a RFP - Contract 10617, As-Neded Engineering Support Services for Pavement Consulting	14-0172	10
H.		NEW BUSINESS:		10
I.		CORRESPONDENCE:		10
J.		CLOSED SESSION:		10-11
K.		ADJOURNMENT:		11

AIRPORT COMMISSION MEETING MINUTES
August 19, 2014

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 5, 2014 were adopted unanimously.

No. 14-0165

* * *

D. DIRECTOR'S REPORTS:

1. Director's Report - Analysis of Airline Traffic for Fiscal Year 2013/2014

Mr. Mike Nakornkhet, Financial Planning/Analysis Manager, Business and Finance said I am presenting the traffic results for FY2013/14. If you divide the passenger growth into segments, as you can see, we started out rather slowly. Quarter 1 growth actually declined by 1% and that's partly because of the Asiana incident which resulted in a decline in air traffic and also because we had a high comparison base last summer. Airline growth began to come back in the 2nd, 3rd, and 4th quarters. We had a number of domestic service increases from Delta and United and in the 3rd and 4th quarters we had international growth from United, Aer Lingus, Aero Mexico, and also some service to Asia. The end result for FY2014, is 23 million enplanements ... 18 million domestic and 5 million international enplanements, representing an all time high for SFO. We reached 46.2 million passengers ... that's enplanements, deplanements, and in-transit passengers and that also represents an all time high. Year over year, we grew by 3.2% and it's important to point out that the international growth, which was 5.3%, exceeded the domestic growth for the first time since FY 2011. We are slightly behind other airports in terms of overall growth and that's because a year ago our growth was the highest in the nation, so we had a high comparison base. Other airports had a relatively low comparison base to grow against, so a 3.2% growth is not a bad comparison to other airports. There have been a number of domestic service increases. In the next six months, we project a 3.6% increase in domestic traffic, but the real story is international growth. There have been several increases to international destinations. The ones highlighted in green are the result of SFO's

Air Carrier Incentive Program which provides a 100% discount on landing fees up to 24 months for airlines starting new international service to new international destinations. So far, it's attracted Aer Lingus with service to Dublin and United to Chengdu. Etihad will begin service in November, and Turkish Airlines will begin service to Istanbul in April 2015 as a result of the Program. In the next six months international growth is again expected to exceed domestic at a rate of 5.3%.

We have a relatively stable market share compared to other Bay Area airports, remaining at approximately 71%. San Jose has grown this year, taking market share away from Oakland, but SFO has remained relatively stable at 71%. SFO has never been known as a high volume cargo market. Oakland has the majority of the cargo volume in the Bay Area, however, we have been known as a high value cargo market. According to recent Department of Transportation statistics, SFO has ranked 5th in the United States in terms of the value of shipments going out of airports, with a total cargo tonnage value of $39.8 billion annually.

We've remained at a relatively competitive percentage in terms of having low cost carrier competition at SFO at approximately 24%, and we remain stable at just under 12% of passengers boarding regional affiliate airlines such as SkyWest and Compass, and those remain also stable at just under 12%.

Airline passenger growth results in spending at the Airport. Spending results in non-airline revenue and in every major category of non-airline revenue, excluding landing fees and terminal rent, we've increased above the FY13/14 budget.

High non-airline revenue results in moderating cost per enplaned passenger, an important metric at the Airport. We project FY14 cost per enplaned passenger to be at $16.01 and growing to $16.79. Last year, when we adjust that for inflation back to 2008, we remain in the $14.00 range and that's important because it's well below the $18.90 ceiling we established with airlines through FY2016. We'll work closely with airlines to establish a new ceiling for fiscal years going forward.

Commissioner Guggenhime said he thought Aer Lingus had operated to Ireland in the past so they started and they stopped. Did they get another freebie?

Mr. Nakornkhet replied that they did operate out of SFO a few years ago and when they returned they qualified for the Air Carrier Incentive Program.

Commissioner Guggenhime asked why.

Mr. Martin said if they stopped service within a certain amount of time they have to pay us back the differential.

Commissioner Guggenhime asked Mr. Martin if he was okay with that.

Mr. Leo Fermin, Chief Business & Finance Officer said they had to reimburse us for the landing fees we waived when they stopped their service.

Commissioner Crayton asked Mr. Nakornkhet to explain the enplanements ... domestic versus international.

Mr. Nakornkhet said that first chart showed actual growth in 2014 and then the second chart showed projected growth based on airline schedules, and that's expected to be higher.

2. Director's Report - SFO Clean Vehicle Policy Update

Ms. Eva Cheong, Associate Deputy Airport Director, Airport Services said in February 2000 this Airport Commission adopted a landmark Clean Vehicle Policy for SFO. While these policies are commonplace now, back in 2000 there were no regulatory mandates so it's almost a one of a kind. Regardless, SFO set a goal to achieve 100% clean fuel usage in as many vehicles as practicable. Over the past 14 years, the original policy has evolved to include many different facets - and some of those are:

- State of the art CNG fueling facilities
- Addition of BART and AirTrain at the Airport
- Installation of electrical charging units on the airfield, in garages and in parking lots, including high speed EV Chargers and soon to include Level 3 superchargers in the cell phone lots
- Incentives and requirements for various modes of commercial ground transportation operators and tenants
- Assistance with grant funding to help operators to convert/purchase clean fuel vehicles, which later became requirements

To date, 100% of our courtesy shuttles and shared-ride vans operate with CNG and clean fuel standards. Additionally, the Airport's diesel fuel bus fleet has been completely converted to CNG to reduce our emissions. Taking into account our City vehicles, tenant vehicles and various vehicles for our ground transportation operators, there are currently over 4,000 clean fuel vehicles in operation at SFO. A true example of the diversity we've come to expect in San Francisco, those include CNG, electrical vehicles, bio-fuels, and advanced diesel and hydrogen.

As a result of SFO's efforts to work with tenants and ground transportation operators, we estimate that we have saved 10 to 15 thousand tons of greenhouse gas emissions and while not 100% contributable to SFO, that helps the region to meet its goals as well.

Looking to the future, we will continue to explore opportunities to improve greenhouse gas emissions with the remaining fleets that show low numbers of clean fuel vehicles and also investigate and embrace new technologies.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Stern. The vote to approve was unanimous.

3. Modification No. 1 to Contract No. 8841R - Ground Transportation & Taxi Management System - TransCore, LP - $2,631,447

No. 14-0166	Resolution approving Modification No. 1 to Contract No. 8841R with TransCore, LP to design, build, and maintain a new Ground Transportation & Taxi Management System in the amount of $2,631,447 for a new total contract amount not to exceed $10,892,674.

Mr. Jeff Littlefield, Deputy Director, Operations & Security said as you are aware, the Airport has been working to replace its current Automated Vehicle Identification system (AVI) and Taxi Revenue Systems (TRS), which have become outdated and expose the Airport to ground transportation disruption and potential revenue loss.

In August of 2012 this Commission approved Resolution No. 12-0188 awarding a contract to TransCore, LP to design, build and maintain a new Ground Transportation Management System (GTMS). This new system, which combines the AVI, GTIS and TRS, will provide accurate real-time tracking of all modes of ground transportation and will allow us to seamlessly interface with other authorized city agencies.

During the design process, Airport staff identified additional components necessary to implement a fully comprehensive GTMS. This scope includes:
- Additional hardware to monitor roadways
- Hardware/software changes to comply with updated Airport Security requirements
- Software development due to changes in external systems that will interface with GTMS.

In addition, the Airport has a limited supply of vehicle transponders needed for the current system's tracking and billing. These transponders need to be replenished during the interim period while the new GTMS is being built in order to avoid any revenue loss until the system goes live in July 2015.

Staff met with ground transportation operators to discuss the project and will continue to meet going forward to solicit input and ensure we satisfactorily meet the needs of ground transportation operators, the Airport and the traveling public. Once complete, this new GTMS will be industry leading among U.S. Airports.

Commissioner Johns noted that you said the last time you came to us on this issue was in 2012?

Mr. Littlefield replied that was for the actual system. I believe we came after that for the infrastructure portion.

Commissioners Johns thought it had been more recent than two years because she was concerned wanted to make sure it was all coordinated. Is there other money being expended on this?

Mr. Littlefield said that more recently we came to you regarding the infrastructure.

Commissioners Johns asked if that money is in here.

Mr. Littlefield replied that it's separate from this.

Commissioner Johns asked if this is the software, or the total cost.

Mr. Littlefield said this is the total, part of the software and the integrator portion of it, and then there's the infrastructure portion of it, which is separate from this.

Commissioner Johns asked if we think it's going to be live and running in one more year.

Mr. Littlefield replied we do. We mapped out this modification, the cost associated, and incorporated contingency as well. So we think we're on the right path.

Commissioner Stern asked what's driving the change in terms of monitoring the Airport roadways ... can you expand on that a bit.

Mr. Littlefield said we want to make sure that there are enough readers throughout the Airport to ensure that there's no opportunity for operators to avert the system. We want to make sure there's full coverage, that there's camera coverage all over the Airport to ensure that we're able to monitor curbside activity, that there's license plate recognition. Cameras associated with this and the interface pieces of it are included in the cost of the modification.

Commissioner Stern asked what's the updated date to go into testing on the project prior to going live.

Mr. Littlefield said prior to going live, I believe January is when we do testing. That's partial activation of the system. We go live in July.

Commissioner Crayton said she is excited about some of the things that have been said because it takes our Airport to another level. The test period is January, is that correct?

Mr. Littlefield replied yes, there's a test period, where it goes partially live.

Commissioner Crayton asked if in that amount of time we will assess whether or not the system is running the way that we intended it to run.

Mr. Littlefield said in January they'll test it and it will go live in July. I believe the test period will last probably a couple of months. It's a period that certainly will give us an opportunity to ensure that the system is viable prior to going live.

Commissioner Crayton asked Mr. Littlefield if he knew of any other airports that are using this technology.

Mr. Littlefield said there are other airports that have similar systems but not as advanced.

Commissioner Crayton asked if we will be cutting edge.

Mr. Littlefield replied yes.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Delegation of Authority to the Airport Director to Enter into a "Section 559" Reimbursable Fee Agreement with U.S. Customs and Border Protection - Not to Exceed $1.48 Million for FY 2014/15

No. 14-0167	Resolution delegating authority to the Airport Director to enter into a "Section 559" reimbursable fee agreement between U.S. Customs and Border Protection and the Airport to provide expanded services in the International Terminal in an amount not to exceed $1.48 Million for FY2014/15.

Mr. Leo Fermin said Customs and Border Protection (CBP) currently operate the Immigration and Customs facility from 8:00am until the last arriving flight is cleared, usually between 1:30am to 2:00am.

On November 18, Etihad will begin daily service to SFO from Abu Dhabi, arriving at 6:30am, and Air New Zealand will be increasing their frequency from Auckland between December 12 and March 2015, arriving at 7:10am. In order to process these flights, we are requesting approval to enter into an agreement to reimburse CBP for overtime required to open earlier each day. For this fiscal year, we project that these costs will not exceed $1.48 million, and we have provided for these costs in our approved Operating Budget. This will cover overtime for 26 CBP officers for the Boarding Area A arrivals and 22 officers for the G arrivals.

We think it's well worth it. These new air services provide more choices to consumers and strengthens SFO as a world class gateway, and the economic benefits to the Bay Area are significant. A study found that one daily international flight generates $178 million annually in business revenue for on-Airport firms and the visitor industry, and 171 on-Airport jobs plus 1,500 in the visitor industry. For the Airport itself, these additional passengers will bring in $7.8 million in gross concession sales, resulting in $1.7 million in revenue to the Airport.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

5. Amendment No. 1 to the Domestic Terminal Food and Beverage Lease No. 03-0201

No. 14-0168	Resolution approving Amendment No. 1 to the Domestic Terminal Food and Beverage Lease No. 03-0201 with Emporio Rulli, Inc. for additional premises, and to seek a waiver of the competitive leasing requirement under Administrative Code Section 2A.173, and Board of Supervisors' approval of the Lease Amendment.

Mr. Fermin said in Terminal 3, there are a group of gates which we call the "Thumb" which juts out from the Hub of Terminal 3. And the only food and beverage service in this area is Emporio Rulli's Grand Cafe, which serves items such as specialty coffee, sandwiches, pastries and desserts.

In September 2012, United Airlines moved most of its flights at these gates to Terminal 1 and other parts of Terminal 3 for operational reasons as well as to enable construction work on the ramp. And as a result, Emporio Rulli experienced sales decreases of about 39% to 69% each month.

Meanwhile, in the nearby Hub food court there is a Just Desserts kiosk whose lease will end in May of next year. This is a 405 sq. ft. space which we propose to add as a location, a second location to the Grand Cafe lease. Adding a kiosk to this second location would give Emporio Rulli an opportunity to re-coop and recover some of its loss that they've incurred since September, 2012.

With your approval we will go to the Board of Supervisors to seek their approval of this amendment to their lease.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 6 through 9, was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

6. Modification No. 1 to Contract 9252 - Monitor Dynamics, Inc. (MDI) Access Control System Software Maintenance and Support Agreement - LDM Engineering, Inc. - $149,000

No. 14-0169	Resolution approving Modification No. 1 to Contract No. 9252 with LDM Engineering, Inc. for MDI Access Control System Software Maintenance and Support Services in the amount of $149,000 for a new total contract amount not to exceed $479,000.

7. Modification No. 1 to Contract No. 9082 - Job Order Contracting (JOC) Implementation Services - The Gordian Group

No. 14-0170	Resolution approving Modification No. 1 to the Professional Services Agreement, Contract No. 9082, Job Order Contracting (JOC) Implementation

Services, with The Gordian Group for a contract time extension of three years for a new total contract duration of five years, with no increase in the contract amount.

8. Modification No. 1 to Contract No. 8519A - Boarding Area G A380 Improvements, Phase A - Golden Gate Constructors, Joint Venture - $84,216

No. 14-0171	Resolution approving Modification No. 1 to Contract 8519A, Boarding Area G A380 Improvements, Phase A with Golden Gate Constructors, Joint Venture, in an amount of $84,216 for a new total contract amount of $2,715.986.

9. Authorization to Issue a Request for Proposals for Contract No. 10617, As Needed Engineering Support Services for Pavement Consulting

No. 14-0172	Resolution authorizing the Director to issue a Request for Proposals for Contract No. 10617 for As-Needed Engineering Support Services for Pavement Consulting and to negotiate with the highest ranked proposer.

* * *

H. NEW BUSINESS:
Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

* * *

I. CORRESPONDENCE:
There was no discussion by the Commission.

* * *

J. CLOSED SESSION:
There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:24 AM.

Jean Caramatti

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

September 9, 2014
Special Meeting
9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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Minutes of the Airport Commission Special Meeting of September 9, 2014

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AIRPORT COMMISSION SPECIAL MEETING MINUTES
September 9, 2014

. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

. ROLL CALL:

Present:
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenhime
Hon. Peter A. Stern

* * *

. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 19, 2014 were adopted unanimously.

No. 14-0173

* * *

. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Crayton. The vote to approve was unanimous.

1. Commendation for David Serrano Sewell

No. 14-0174	Resolution thanking David Serrano Sewell for his service to the Airport and offering best wishes in his new job as Regional Vice President, Hospital Council of Northern & Central California.

Mr. John Martin, Airport Director said that David is leaving, he's not retiring, he's way too young for that, he's leaving after 14 years of employment with the City. He started as an Assistant in Mayor Brown's Administration, working closely with Commissioner Johns. He then went to work for the Department of Building Inspection as an Assistant to the Director, and left the City to obtain his law degree. He returned to the City in the City Attorney's Office working at the Port Commission and transferred to the Airport in 2006. He has done an outstanding job for the Airport. David is a real team player, handling revenue and management issues, particularly concession leases. He handled all the concession leases for Terminal 2, something to be very proud of. On a personal level, I thank David for his creative approach in problem solving. It's always easy for a City Attorney to say, "no, that's not possible," but David, like Sheryl, takes the attitude of let's find a solution to this problem and that's what we really look for ... a great attorney. So, we thank David for his commitment to the Airport and the City and wish him well in his new job as

Regional Vice President for the Hospital Council of Northern and Central California. It's a great new job.

Commissioners congratulated Mr. Serrano Sewell.

Mr. David Serrano Sewell thanked the Commission, General Counsel, Director Martin. I'll be very brief but I do want to thank a few people, starting with the Director. He is a strong visionary leader. It's a complicated organization but he leads everyone in finding a solution. There have been challenges but we have always found a way. I think what separates Director Martin from other department heads is his insistence to integrate the Legal department from beginning, middle and end, and I do believe that results in a stronger outcome for everyone and for the City. Also, I want to thank my boss, the General Counsel, Sheryl Bregman. The department has been blessed with good General Counsels but I would say Sheryl is a special General Counsel. There were a lot of challenges and incidents when she came on board and she had to come up to speed and did so, and I think with excellence. I also want to acknowledge working with your staff Director Martin. They are dedicated and hard working, and want a good result, and they have helped in my development as an Attorney and I'm appreciative of staff. I've worked with many in this room, in particular Deputy Director Leo Fermin, he's been a pleasure to work with. I'll be leaving you after almost 15 years. I'll be going to the Hospital Counsel, a trade and advocacy organization that works closely with the hospitals in Northern California. I'll be their person in San Francisco working with the 10 hospital CEOs and I'm very excited about it, but it's a little bitter sweet. So thank you for this recognition and I wish you continued success.

Commissioner Johns said "David, I just am so proud of you." It's been 19 years since I first met you and I've seen such a great development in your personality and I'm so happy to know you and to know your wife and your daughter, and your mom and dad. And I just think this is going to be a wonderful position for you and I know you've had a good solid background here in the City and County of San Francisco. Both in the Mayor's Office and at the Airport and I just wish you the best.

Commissioner Guggenhime said and I also want to say it's a credit to you as a lawyer ... to find a lawyer who says to his client, we can do this, not why we can't do it. And I think that shows something about you. Congratulations.

Commissioner Crayton said that in your advocacy and the way that you approach things, as Director Martin stated, I'm going to miss that and hopefully we would continue in another level at some point in time on the hospital path. I know you're going on to greatness. It's our loss and their gain. Clearly, you'll take good thoughts with you as you approach your other job. Thank you so much.

Mr. Serrano Sewell said I'm sorry Commissioner, not to take up more time but, I do want to acknowledge my mother and father who are here. Sandy and Mario Serrano Sewell ... they just celebrated their 45th Wedding Anniversary. Thank you Commissioners.

Commissioner Mazzola said I also want to thank you for your hard work at the Airport and I hope you can get those hospitals to lower their rates. Congratulations.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

F. POLICY ITEMS:
Item No. 2 was moved by Commissioner Mazzola and seconded by Commissioner Stern. The vote to approve was unanimous.

2. Amendment to the Airport Debt Policy

No. 14-0175	Resolution amending and revising of the Airport Debt Policy, including the Associated Credit and Investment Policies and the addition of new disclosure Policies and Procedures to reflect current conditions in the financial markets and ensure compliance with all applicable Federal securities laws.

Mr. Leo Fermin, Chief Business & Finance Officer said I apologize, I inadvertently sent you the red line version of the changes from 2010, the last time you approved the revisions to the Policy, not from 2013. This item amends the Debt Policy, including its Appendix B, the Credit Policy and Appendix C, the Investment Policy. We are also adding a new Appendix D, the Disclosure Policy. These amendments are needed to meet new regulatory requirements and to account for developments in the financial markets. The Credit Policy changes removed out of date passenger enplanement and debt numbers. The Investment Policy is being amended to remove the student loan marketing association from the list of permitted investments. The new Appendix D, the Disclosure Policy, formalizes our current practices regarding disclosure to bond investors and establishes procedures for us to follow. You last amended the Debt Policy a year ago and we will again return to you in the future if there are additional changes in securities law or if there are changes in the financial markets that require further amendments to a Debt Policy.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. Modification No. 1 to The Fixed Base Operator Lease and Operating Agreement No. L07-0106 with Signature Flight Support Corporation

No. 14-0176	Resolution approving Modification No. 1 to Signature Flight Support Corporation's Fixed Base Operator Lease and Operating Agreement No. L07-0106, which extends the term for five years and requires renovations to the Executive Air Terminal, and

directing the Commission Secretary to request Board of Supervisors' approval of the Agreement modification.

Mr. Fermin said this Item is a win for us and for Signature, our Fixed Base Operator or FBO. Signature operates an executive air terminal used for private jets. The minimum annual guarantee on their lease is $12.5 million. The highest of 14 major airports we've contacted. With a five year lease extension, we get to lock in the above market mag for another five years, through September 2022. In turn, Signature gets more time to amortize their investment of approximately $10 million in building a new hangar. Attachment A of your memorandum shows the FBO mags at 14 major airports around the country. If we do an RFP for a new lease in 2017, we risk receiving a much lower mag. Recently this year Laguardia's FBO RFP resulted in a $3.5 million mag. Last year, Washington's Ronald Regan Airport's FBO RFP resulted in a $1 million mag and prior to that, San Jose Airport's mag was $2.1 million and before that, Tampa was bid at $2.6 million. With your approval, we will go to the Board of Supervisors to seek their approval of the lease extension.

Commissioner Guggenhime said great job.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Approval of an Early Termination and Buyout of Baysubway Airport's Domestic Terminal Food and Beverage Lease No. 03-0185 in an Amount Not to Exceed $1,200,000

No. 14-0177	Resolution approving an early termination and buyout of Baysubway Airport's Domestic Terminal Food and Beverage Program Lease No. 03-0185 in an amount not to exceed $1,200,000, and direct the Commission Secretary to seek approval of the Board of Supervisors.

Mr. Fermin said at the beginning of the Boarding Area E Renovation Program, we shut down all of the concessions in that area from April 2011 to the end of January 2014, a period of two years and nine months, and we negotiated a business deal which included a promise to give these tenants replacement spaces and a 10 year term to amortize replacement construction build outs. All of these tenants were given replacement spaces and reopened when Boarding Area E reopened, except for Subway. The area where Subway was planned to be was swallowed up by the footprint needed for a new United Club. For two years we have been searching for an alternative location for Subway. Unfortunately, other alternative locations had issues such as the prohibitive cost of venting through the Terminal roof or too narrow a depth to position ovens and the need to eventually relocate Subway because of the various Terminal Renovation projects in the Capital Plan. At this point, we recommend the Buyout of the Subway Lease and a closure to this. With your approval, we will next take this to the Board of Supervisors for their approval.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 5 through 9, was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

5. Request for Proposals for Contract No. 8768.41 - Airport Hotel Program Project Management Support Services

No. 14-0178 Resolution authorizing the Director to issue a Request for Proposals for Contract No. 8768.41, Airport Hotel Program Project Management Support Services.

6. Modification No. 1 to Contract No. 9263 - Airport Security Consultant Services with Ross and Baruzzini - $125,610

No. 14-0179 Resolution approving Modification No. 1 to Contract No. 9263, Airport Security Consultant Services with Ross and Baruzzini to add scope of work and additional funding of $125,610 for a new contract amount of $781,450.

7. Modification No. 2 to Contract 8840, Acoustical Engineering Service with BridgeNet International, to Increase the Contract Amount by $100,000 for a New Total Contract Amount not-to-exceed $700,000 and Extend the Contract Term to December 31, 2015

No. 14-0180 Resolution approving Modification No. 2 to Contract No. 8840, Acoustical Engineering Services, with BridgeNet International, to increase the contract amount by $100,000 for a new total contract amount not-to-exceed $700,000 and extend the contract term to December 31, 2015 through exercise of the second of three one-year contract renewal options.

8. Bid Call - Contract 9059 - Domestic Parking Garage Elevator Modernization Project

No. 14-0181 Resolution approving the scope, budget and schedule for Contract No. 9059, Domestic Garage Elevator Modernization Project and authorizing the Director to call bids when ready.

9. Reimbursement to Virgin America, Inc. for the Cost of Designing, Producing, and Installing Sunscreens for Curbside Check-in Podiums in Terminal 2

No. 14-0182 Resolution authorizing the issuance of a one-time rent credit to Virgin America, Inc., in an amount not-to-exceed $12,500 for the design, production, and installation of sunscreens for its curbside check-in podiums at Terminal 2.

Commissioner Johns asked why we didn't realize we had an issue in Terminal 2 since we had the same problem in Terminals 1 and 3. It's a small thing right outside, correct? And it's some portable sunscreen that they roll out and put away?

Mr. Fermin said frankly, I think it was an oversight. We just didn't think of it at the time.

Commissioner Johns asked if this solves the problem for everyone.

Mr. Fermin replied that it does.

Commissioner Johns asked if Terminal 1 is okay with its sunscreen.

Mr. Fermin said he did not think the renovations in Terminal 1 will impact the front of the building where the curb is as far as the sunscreens are concerned. I think we'll be okay in that regard.

* * *

I. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION/ PROSPECTIVE SETTLEMENT

The Airport Commission voted unanimously to go into closes session at 9:19 AM. The public meeting was reconvened at 9:45 AM and the Commission disclosed the approval of a proposed settlement with the Internal Revenue Service in the amount not to exceed $75,000.

(a) Public comment on all matters pertaining to this agenda item.

(b) Discussion and vote in open session pursuant to the Brown Act (California Government Code §54956.9) and the Sunshine Ordinance (San Francisco

Administrative Code §67.10(d)) on whether to invoke the attorney-client privilege and conduct a closed session to confer with legal counsel. ACTION ITEM.

c) [PROSPECTIVE CLOSED SESSION]

CONFERENCE WITH LEGAL COUNSEL regarding anticipated litigation as defendant and proposed settlement. Significant exposure to litigation pursuant to California Government Code §54956.9(d)(2), and San Francisco Administrative Code §67.10(d)(2)): Internal Revenue Service, claimant, against the San Francisco Airport Commission. Proposed settlement in an amount not to exceed $75,000. ACTION ITEM.

CONFERENCE WITH LEGAL COUNSEL regarding existing litigation (Government Code §54956.9(a), Administrative Code §67.8(a)(3)): *Gan Ye and Xiao Yun Zheng v. City and County of San Francisco,* et al., California Superior Court, County of San Mateo, Case No. CIV 530008, filed August 13, 2014. DISCUSSION ONLY.

There are no other planned agenda items for the closed session. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in closed session, the Airport Commission may discuss and vote whether to conduct a closed session under the Brown Act (Government Code §54954.2(b)(2) and §54954.5) and the Sunshine Ordinance (Administrative Code §67.11).)

(d) [RECONVENE IN OPEN SESSION]

(i) [IF APPLICABLE] Report on action taken in closed session required by the Brown Act (Government Code §54957.1(a)) and the Sunshine Ordinance (San Francisco Administrative Code §67.12(b)).

(ii) Discussion and vote whether to disclose any or all discussions held in closed session (San Francisco Administrative Code §67.12(a)). ACTION ITEM.

* * *

.. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:46 AM.

Original signed by Jean Caramatti

Jean Caramatti
Commission Secretary

SAN FRANCISCO
AIRPORT COMMISSION

MINUTES

September 23, 2014
Special Meeting
9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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Minutes of the Airport Commission Special Meeting of September 23, 2014

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	2.	Award Professional Services Agreement, Contract 10003.43, A & E Design Services for Temporary B/A B & Security Screening Checkpoint - Corgan + LDA Joint Venture	14-0186	5
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G. PUBLIC HEARING:
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I. CORRESPONDENCE:

J. CLOSED SESSION:

K. ADJOURNMENT:

AIRPORT COMMISSION SPECIAL MEETING MINUTES
September 23, 2014

A. CALL TO ORDER:
The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern

* * *

C. ADOPTION OF MINUTES:
The minutes of the special meeting of September 9, 2014 were adopted unanimously.

No. 14-0184

* * *

D. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Stern. The vote to approve was unanimous.

1. Award Professional Services Agreement for Contract 10005.41 - Project Management Support Services for Taxilanes H & M Relocation - HNTB Corporation - $2,250,000

No. 14-0185	Resolution awarding Professional Services Agreement, Contract 10005.41, Project Management Support Services for Taxilanes H & M Relocation, to HNTB Corp., in an amount not to exceed $2,250,000 and a duration of 28 months from Notice to Proceed.

Mr. Geoff Neumayr, Deputy, Design & Construction said this item awards Project Management Support Services for the Taxilane Relocations for the new Boarding Area B Project to HNTB in the amount not to exceed $2.5 million for a duration of 28 months. HNTB was the sole proposer from the pool list. The other firms listed on the pool list did not propose because they are waiting for other work that will be going out to the list down the road. HNTB was found to be responsive to this RFP. The scope of work provides Project Management Support Services for the realignment of the South field taxilanes. The LBE subcontracting goal for this contract was 20% and the Consultant has committed to achieving this goal. We recommend approval and I'll be glad to answer any questions you might have.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. Award of Professional Services Agreement for Contract No. 10003.43 Architecture & Engineering Design Services for Temporary Boarding Area B & Security Screening Checkpoint - Corgan + LDA Joint Venture - $4,778,552

No. 14-0186	Resolution awarding Professional Services Agreement, Contract No. 10003.43, Architecture & Engineering Design Services for Temporary B/A B & Security Screening Checkpoint to Corgan + LDA, JV, in an amount not to exceed $4,778,552 and for a duration of 20 months from the Notice to Proceed.

Mr. Neumayr said this item awards a Professional Services Contract for the temporary Boarding Area B project in the amount of $4.8 million to Corgan + LDA Architects, a Joint Venture. The scope of work provides architecture engineering services for the design of the temporary Boarding Area B project. This project will be in service for approximately four years while the permanent Boarding Area B is being constructed. The scope of services will include programming services, concept drawing preparations, design development, development of construction documents and construction administration. Nine proposals were submitted in response to this Request for Proposals. A Selection Panel was convened to rank and score both the technical qualifications and the oral interviews. Staff has determined that Corgan + LDA Architects JV was the highest qualified proposer with an LBE rating of 7.5%. Staff negotiated a lump sum amount of $4.8 million with a duration of 20 months from the notice to proceed for the estimated construction cost of $63 million. The fee for this contract is divided into five phases and include programming, design, design development, contract documents, and construction administration. CMD has approved a 25% LBE sub consultant participation goal and the Consultant has committed to achieving this goal. We recommend approval and I would glad to answer any questions you might have in regards to this.

Commissioner Crayton asked if we have done business with this firm in the past.

Mr. Neumayr replied that we have not done business with Corgan as an Architect.

Commissioner Crayton asked if they have had other projects of this size.

Mr. Neumayr replied they have. Recently they were one of the prime architects on the Sacramento International Airport terminal complex.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. Authorization to Commence Request for Proposals Process for Two Retail Concession Leases in Terminal 3

No. 14-0187 No. 14-0188	Resolutions approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to issue a Request for Proposals and conduct an informational conference for two (2) Retail Concession Leases in Terminal 3.

Mr. Leo Fermin, Chief Business & Finance Officer said this item authorizes us to commence the selection process for two separate retail leases. One lease is for a specialty retail concept with two locations post security ... one at the gates near the entrance to Boarding Area E, and a second location in the F Hub. The second lease is for a bookstore at the entrance to Boarding Area F, however, construction plans for Terminal 3 are still being finalized and there is the possibility that we may have to move the bookstore to the F Hub where Mango Apparel and a newsstand are currently located. The lease for these two stores expires in December 2015, so if we have to go to this Plan B, we will return to you this December to authorize an RFP for this alternative location.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 4 was removed from the calendar. Item Nos. 5 through 8 of the Consent Calendar were moved by Commissioner and seconded by Commissioner . The vote to approve was unanimous.

4. Award Contract No. 50016 - Maintenance, Support, and Integration Services for the Physical Security Information Manager (PSIM) Event Management System Verint Video Solutions, Inc. (VERINT) - $550,000

	Resolution awarding Contract No. 50016 for Maintenance, Support, and Integration Services for the PSIM Event Management System to Verint Video Solutions, Inc. in an amount not to exceed $550,000 beginning Oct. 1, 2014 thru Oct. 31, 2018.

5. Award of Professional Services Contract No. 50021 - As-Needed CEQA Environmental Planning Services - RS&H California, Inc. - $1,385,000

No. 14-0190	Resolution awarding Professional Services Contract 50021 to RS&H California, Inc. for As-Needed CEQA Environmental Planning Consulting Services in a total contract amount not-to-exceed $1,385,000 for a five-year term.

6. Modification No. 2 to Contract No. 9073 - Siemens Postal, Parcel, & Airport Logistics, LLC - $83,938

No. 14-0191	Resolution approving Modification No. 2 to Contract No. 9073 with Siemens Postal, Parcel & Airport Logistics, LLC for repairs to recently purchased Passenger Boarding Bridges in an amount not to exceed $83,938, resulting in a new total contract amount not to exceed $1,488,423.

7. Modification No. 1 to Contract No. 9189 - As-Needed Management Development Training Firm - Piras Group - $250,000

No. 14-0192	Resolution approving Modification No. 1 to Contract 9189 to the Piras Group for As-Needed Management Development Training to Senior and Managerial staff in the amount of $250,000, for a new total contract amount of $400,000.

8. Modification No. 2 to Contract No. 9344 - Hotel Development Consulting Services to Proceed with Phase 2 of the Scope of Services - Jones Lang LaSalle Americas, Inc.

No. 14-0193	Resolution approving Modification No. 1 to Contract No. 9344 for Hotel Development Consulting Services with Jones Lang LaSalle Americas, Inc. to proceed with Phase 2 of the Scope of Services. No additional funds are being requested.

* * *

G. PUBLIC HEARING:

The Public Hearing was called to order at 9:11AM. There being no further public comment, the Public Hearing was closed at 10:16 AM. Item No. 9 was put over to the meeting of October 7, 2014.

9. Public Hearing to Receive Comments on the Proposed Summary of Amendments to Sections 1 through 14 of the Airport's Rules and Regulations and to Vote on Adoption of the Proposed Amendments

Section 1 – Definitions
Section 2 – Violation, Severability and Interpretation
Section 3 – General
Section 4 – Operation of Motor Vehicles
Section 5 – Aircraft Operation
Section 6 – Fire and Safety
Section 7 – Airport Security

Section 8 – Airport Environmental Standards
Section 9 – Airport Permit, Lease or Agreement Requirement
Section 10- Trip Reduction Rule
Section 11 – Noise Abatement Regulation
Section 12 – Labor/Peace Card Check Rule and Model Card Check Agreement
Section 13 – Free Speech and Expressive Activities
Section 14 – General Fines

Resolution approving the summary of amendments to Sections 1 through 14 of the Airport's Rules and Regulations and adopt the proposed amendments.

Mr. Jeff Littlefield, Deputy Director, Operations & Security said that the Airport Commission last adopted changes to its Rules and Regulations in April 2011. Since that time, it has become necessary to revise the Airport's Rules and Regulations to include several very important updates. This includes incorporating all Airport Operations Bulletins that have been issued over the last three years into this revision. We plan to include SFO's newly developed Commercial Ground Transportation permit for the TNCs (Transportation Network Companies) in this revision as well. We also have included the Airport's Water Conservation Policy, along with various operational requirements. As SFO remains focused on Safety, and has Safety & Security as our Number One Core Value, we've included a number of Safety & Security related revisions. These revisions specifically address procedural compliance and proper maintenance and upkeep of ground support equipment operating on the Airfield. And they are also consistent with industry best practices around the system. We've included a revision to Rule 14 which clarifies accountability and consequences for poorly maintained equipment, or behaviors that jeopardize the safety of our employee population and the traveling public. A company or a permit holder and/or an individual may be subject to proportionate fines depending on whether a safety violation is attributable to improper equipment, maintenance, or unsafe behavior. Another noteworthy change that we have implemented and developed is called our GSESIP, which is an Acronym for our Ground Support Equipment Safety Inspection Program. This program outlines the Airport's safety compliance expectations and calls out various types of scheduled and random equipment audits that will be performed throughout the year to ensure that airlines and ground handlers are managing safe operations and reducing and/or eliminating preventable accidents and employee injuries on the Airfield. The Airport remains confident that these revisions are appropriate and in the very best interest of employees, employers and the Airport community as a whole, as well as in support of our vision and culture of safety at SFO. With that, I recommend adoption of the Amendments to Rules 1 thru 14 of the Rules and Regulations as set forth in Attachments A, B, and C. I'll be happy to answer any questions.

Commissioner Crayton noted that the definition of limousine changed.

Mr. Littlefield said the limousines have a very cursory inspection that takes place and that inspection process hasn't changed. The real focus of the revisions is on our Airfield side. That's where the planes are loaded and unloaded, and all the tractors and tugs operate.

Mr. Mark Gruberg, SF Taxi Workers Alliance, which is a new taxi driver organization. I have long been associated with United Taxicab Workers, one of the founding organizations of this new group. We will be merging fully into it overtime. The plan for the SF Taxi Workers Alliance is to join with the National Taxi Workers Alliance and AFL/CIO affiliated union. We have well over 400 members right now, and hundreds more pledge to join. My first issue is the lack notification. United Taxicab Workers has long been on your mailing list but we didn't get notice of this for some reason. Another taxi driver sent me a link to the materials here on Friday. Our group has not had an opportunity to look at this. I understand there aren't significant changes in the taxi rules, but we would still like an opportunity to look it over thoroughly. We ask that you not make a decision on this today. I see that you now have regulations pertaining to TNCs. I understand that none of the TNCs are authorized to operate at the Airport, yet they operate everyday by the hundreds, maybe by the thousands. Very little is being done to stop this. I can't see why you would permit companies that are acting so blatantly in violation of your rules and of the law and reward them by welcoming them into the Airport, and allowing them to get permits when they're acting in complete contempt and defiance of the law right now. If you told them to stay away for a year and convince us that you are going to be law abiding citizens, then we'll reconsider you. But if you let them in right now you'll just be giving them a clean slate and wiping away all of this illegal activity that's taken place. That is not the way it's suppose to work. As taxicab drivers we're suppose to adhere to the rules and if we don't, we get banned from the Airport, we could get fined by the Airport, we can have permits removed. It should be the same for everyone.

Mr. Tracy MacCorkell, said I'm speaking to Rule 5.27. I'm a aircraft mechanic and I work at the International Terminal. Rule 5.27 requires reflective clothing. The company provides us with our uniforms and we must wear uniforms provided by the company. The only piece of reflective clothing they have given me is this vest. Not one stitch of reflective material. So, I'm required by the Airport to wear reflective material, which is great. The more reflective the better. The problem is my company also requires me to remove this vest when I do certain jobs. It's a hazard and it's going to get me killed. Also, when handling static discharge. I can damage equipment. The fine for Rule 5.27 is $750. I don't have a choice on what I wear. It's given to me by the company, but they also require me to take it off in certain instances. So who's rules do I follow? The Airport's new rule or my company's rule? And I want to protect myself. I've given you photographs that are going around that shows you the hazards, the reasons why I would take this off. There's safety CBT by my company that tells me to take this off in certain instances ... it can get snagged on any piece in there. The inside label of the vest says to remove it for static discharge.

Commissioner Mazzola asked Mr. MacCorkell if he has grieved this with the employer and told them about the safety issues.

Mr. MacCorkell replied that we told them when they were coming out with their new uniforms that we would like reflective material and this is what they gave us. This is an old coveralls that has reflective material everywhere but they tell us to take it off because it has the tulip on it. They make me wear this and I've already injured myself once because of this vest, so I wear my old coveralls now.

Commissioner Crayton asked Mr. MacCorkell how he was injured.

Mr. MacCorkell replied I'm an electronics technician. There's very small hole in the bottom of the airplane where we install our electronic boxes. I had a vest on as I was coming out. The ladder is about five feet tall that I'm coming down onto, and I got it caught. I didn't feel it because this thing is light and as I stepped down onto the ladder, it snagged me and sent me forward. Luckily, one foot caught the ladder. So, I don't wear this anymore. Thank you very much.

Commissioner Mazzola announced Katherine Cassey.

Ms. Katherine Traczyk (Kasi) ... I'm Kasi with Teamsters Local 986/856 and I work at SFO as an aircraft mechanic. I've also worked as a Ramper and in Baggage Maintenance. I think we can agree that people can't be held accountable for decisions they are not responsible for making. For example, I can make a decision to stop at a stop sign or not stop at a stop sign. As Tracy mentioned, I don't make a decision about my required uniform. I have to wear the required uniform. And, since I've worked as both a Ramper and Baggage Maintenance, there is one piece of equipment that could seriously harm people wearing that vest and that's a Cargo Loader. If you look outside an aircraft, that's the conveyor that's loading your baggage onto the plane. There are many conveyors, there are many moving machines at an Airport and CalOsha requires that when you're working around moving machines that can pull you in, you wear close fitting clothing. You have many levels of tenants ... you have large tenants, you have your small tenants. I would hope that you really look at some of the policies you're putting in place. I would like to applaud the Commission for working to make SFO a safer environment. All safety professionals caution that when creating policy, beware of unintended hazards that maybe created by new policies.

Commissioner Johns asked if the required uniforms are provided by the employer, or do you have to pay for them yourselves.

Ms. Kasi replied they're provided.

Commissioner Johns asked if the employer has provided opportunities to hear feedback about the quality, safety, etc. of what they're providing.

Ms. Kasi said we've given feedback that we need more reflective clothing and we've given feedback about the loose clothing, and the response was to take the vest off when you're working in certain areas. There's not just one tenant and it's the tenants that would be held liable if someone is injured. And I wouldn't want to put the Commission in a situation where you were liable because you mandated something without requiring the tenants to fulfill it in a way that allows people to work safely.

Mr. Ralph Ortiz said I've been a mechanic with United Airlines for 28 ½ years and I currently serve as the Safety Chairman for the Teamsters at the Airport. There has been a discussion of shared responsibility between employer and employees. What I want to point out is that if there was a fatality or injury or something serious that triggered an OSHA investigation, OSHA would investigate and most likely cite the employer. The employer would then point that it is not their policy but the Airport's policy that was violated. OSHA could potentially cite the Airport and the Airport would be liable because it conflicted with the tenant or employer's policy. The Airport could then be potentially liable and get cited by OSHA.

Commissioner Crayton asked if the concerns that are being raised have been reported to your companies. Have you received any feedback?

Mr. Ortiz replied no, not yet.

Commissioner Crayton asked if the purpose for coming here today is to also make sure we are aware of those concerns.

Mr. Ortiz replied that's correct.

Commissioner Johns asked if there are specific rule changes that are before us that you folks feel don't address your concerns, or are in conflict.

Mr. Ortiz said well the a specific one, among many of them, is wearing the vest because the employer specifically says that you will remove the vest anytime that you do a certain type of work. CalOSHA also clearly says you cannot wear loose clothing. So there is a conflict between the employer and CalOSHA and the Airport Commission's idea of what they want. Again, safety is paramount. I understand the Commission wants safety.

Mr. John Martin, Airport Director said we're hearing one issue which is reflective clothing which is very important to us. We can hear from Jeff now if you want, or you can wait until the end for Jeff Littlefield to comment on this specific item.

Commissioner Mazzola said let's wait until the end and Jeff can pick it up then.

Mr. Fred Wood, Teamsters Grievance Coordinator, San Francisco International Airport, said I first found out about the Rules over a month ago. I had my business agents and my safety committee look at them because we found that we're going to start holding employees responsible in the same manner that we do the company. I agree that there are some safety violations that need to be addressed, but to charge the employee $750 ... that's half a paycheck. I've asked eff Littlefield to find other solutions to sharing the responsibility. Sharing that responsibility would not only require the employee to attend training courses all over again, but to have that employee's manager sit next to him for two hours while he goes through that training session. One way to get to a company is to tie up their time because they will hide money in strange places and not report it. They'll hide a $750 fine by saying we had a party for someone. If we cited an employee for not wearing his vest, or not wearing appropriate attire and sent him to training again with his Manager sitting at his side with his cell phone off for two hours and not receiving calls about his aircraft going out late, you're going to get a response. I ask the Commission to please give us time to make adjustments to these outrageous fines to working people and their families.

Mr. Richard Petrovsky, 43 year mechanic with United Airlines and San Francisco and LA Teamster Representative out of Teamster SFO Local 856 and 986. Thank you for the opportunity to speak this morning. No one would argue that safety has got to be a primary purpose out on the airfield. The concerns that we have, and you've heard many of them today, are the admonishments and how to resolve the issue and get to the core of the problem of why these violations are occurring. We call the airfield the wild, wild west, and that's exactly what it is. Everyone is in a hurry, aircraft need to be turned, the company is pushing all the time to take care of the work in all of the aspects ... food, ramp, aircraft repairs, all have to be done quickly to get the aircraft back out on time. We realize there's an issue between hurry up and safety. The biggest concern we have right now is that we don't want to see any of the employees hit with admonishments when it comes to a conflict between company policy and Airport policy. That needs to be handled between the company and the Airport so they can come to a resolution and determine how we can best take care of safety issues. We ask that any conflicts between company and Airport policies regarding admonishments be given to the company and not the individual employee as was stated earlier. The fines have gone up dramatically and I believe it can be better handled by the company being involved.

Mr. Norm Tin said I'm the Field Representative for SEIU Local 1021. I represent the public sector employees and at this point in time I want to give you a different perspective. It's important to see the entire story and the story goes like this ... imagine yourself leaving here and going off to the Airport and you see red and blue lights flashing behind you. What's the feeling you have? Well, I represent the Airfield Safety Officers who will issue the admonishments. Using the example of $750, that might be 1/4 of someones monthly salary. Can you imagine how that person feels? And you're going to be seeing the same ASOs day after day because you're working at the same spot. Safety is number one. It's a core value, and we definitely agree to that. But these are the concerns of the 9212s and the 9220s, the ASOs and the Supervisors. It's about the training, it's about protection, it's about having a safe protocol. Often they're expected to be like the Police, but they aren't. They are expected to be like first responders, as in the Asiana crash where they were actually on the scene before the first responders. With that, training might be inclusive of how to use mace, how to deal with an angry, raging worker. Possibly the employer could have programs to train all of those employees. Perhaps zero tolerance in threatening an officer, similar to the SFPD and its legal protection against assaulting an officer. Can you imagine being an ASO and doing an admonishment and then going off to Target and that person recognizes you, what do you do? The best practice might be if an employee gets admonished or a fined, the Supervisor also needs to attend the training. That helps to change the culture. Thank you.

Ms. Romina Loreto, representing the Service Workers at the Airport under SEIU, United Service Workers West. AirServ is one of the largest passenger services at the Airport and we have been trying to work with them about a health hazard issue among cabin cleaners since early this year. The vans of the cabin cleaners are infested with cockroaches, ticks and bugs. We have raised this issue many times with the company because of reports from employees since early this year that they have been bitten many times. I've seen medical records, I've seen doctor's notes. There are a lot of things living in those vans. I have a night shift employee from AirServ with me today. It's especially horrific for night shift people. The night shift crew does the deep cleaning and the overnight cleaning of aircraft. And the Airport's Policy and Procedures, especially 3.5, requires employers to provide a break area for employees. Because the location of the aircraft that they clean is far from the small break room that they provide the cabin cleaners, which is below Gate 97, the employees do not get to eat a warm meal, nor have a decent place to eat, so they have no choice but to eat inside the vans that are infested with bugs and cockroaches. On top of the infestation, the trash collected from the aircraft they have cleaned prior to their lunch break is also inside the van. We strongly believe that no employee deserves to be treated this way. It's inhumane and unsanitary. The same employees with the bites and rashes clean out aircraft at SFO, the very same aircraft where passengers, visitors, tourists, our own family members sit. We urge the Commission to look into this to avoid future issues, not only among the employees but the millions of passengers that pass through San Francisco International Airport.

Commissioner Crayton asked if that is an eight hour shift and they have no place to eat.

Ms. Loreto said the night shift starts at 10:00 PM and ends around 6:00 AM or 7:00 AM. Most of the aircraft that they clean is far out in the hangars. They don't have the time to get to the break room, they literally have to eat in the vans, especially during the winter when it's cold.

Commissioner Crayton asked if they can't take the van back to eat.

Ms. Loreto said according to them it takes time and they only get a 30 minute lunch break.

Commissioner Crayton ... so this has been brought up to the management and what has been the response?

Ms. Loreto said they told us in July that they would have the vans fumigated every six months. We were expecting a fumigation in August but it never happened. This has been going on for quite a while and we've been trying to address it, but we're not getting anywhere with the company.

Mr. Chuck Andrew said I am with Teamsters Local 665, Thank you for the opportunity to address you. Our Local represents the Rental Car shuttle drivers and service agents. The rental car companies are increasingly hiring non-union subcontracted vendors who are paid by the vehicles that they move. As such, they are driving unsafely, rolling through stop signs, speeding and putting the general public that rent cars and our workers at risk of injury. We're trying to address some of these issues through the collective bargaining grievance procedure. Perhaps stepping up police patrols might offer some assistance in the general safety of the workers.

Mr. John Fishbach, aircraft mechanic, said I work in the International area on day shift. When Tracy MacCorkell spoke earlier about safety concerns, I'm in the middle of it, right there. I'm deeply concerned over the idea of this meeting to explore fines, to enforce safety, on SFO AOA. Fines are punishment and in this case fines at this level impose a hardship on workers who are often the lowest paid of the Airport community. They have the least amount of resources to fight back through the courts or other appeal systems. Often the same workers are encouraged to cut corners because of limited ground times, distance to travel, and gate congestion. These same workers often have no ability to address their safety concerns. Some of the established air carrier employees have unions to bring their safety concerns to, but non-union work groups have no advocacy, no protection and because of their at will employment, face discharge. Facing fines only increases hardships on already tight family budgets. This fining of workers moves the incentive from the groups who have the ability to affect change to the lowest level and the least able to affect change. Because of this inability to affect change, hazards will not be addressed in any effective way, increasing the chance of an accident. IKO addressed this at a conference. Self disclosure is important, reporting hazards is important. Effective change, working on hazards and removing them from the work area, involvement of local experts, those who work ground level, plane side. This is a statement from IKO: "Within the legal guidance of protection of information gathered from safety data, collection, and processing systems, clearly show that employees of carriers are contributors of safety related information and that the use of safety related information for other purposes, is inappropriate. Fining the lowest level person who has no ability to affect change in the workplace is inappropriate." Thank you.

Commissioner Guggenhime said I want someone to summarize ... there is the issue of unsafe equipment in accordance with Paragraph 5, is that correct? In other words, certain reflective uniforms are safe, but what you've been directed to wear, and I agree with that, can get you hurt.

Commissioner Mazzola said let's let Shelley finish, she's our last speaker.

Mr. Martin said I think Jeff would be an appropriate person to speak to 5.27.

Ms. Shelley Kessler, San Mateo Labor Council ... may I speak to what Commissioner Guggenhime just raised? The issue of reflective clothing is really important and it's not just United Airlines. They just happen to be the people who showed up today. But American or any airline that uses mechanical gear at which an employee who wears loose fitting clothing has a potential to be dragged into that conveyor is where we're concerned about the contradiction between being told that you are to wear, by virtue of the policy that you're looking at today, and a direct order by their manager to remove that reflective garment. That contradiction is why we're here.

Everyone who works at the Airport is very concerned about safety. We don't want to get injured anymore than the flying public wants to, or your own employees. Our folks are the front line workers. They're there everyday and we advocate for these safe conditions everyday. Imagine if you're not in a union and you don't have the ability and the power to be your own advocate and face disciplinary procedures should you challenge your employer. Safety is not just an external issue, but it lives in the daily lives of people who provide the goods and services that make SFO run. It would be great if we had been engaged in and had the ability to be a part of the discussions as these policies were being reviewed and adjusted. We are now having meetings with Jeff, he's been very good. Mr. Littlefield has been meeting with us but we find that some of these issues still have some very big contradictions that need to be addressed. And even though he will tell you this is a living document and we are going to review these things, meanwhile people risk getting penalized up to the point of being disciplined or fired, and fined for activities that they are being directed to do by their own employers. So while you can talk about how we are going to review these, we're going to be disciplined, we're going to look at all of this stuff, we want accountability, some of our workers have no choice. They can't refuse a direct order that's given to them by an employer. So we took some time and we went through it and we submitted three different pages of these concerns that we have. There are occasions when people get directed and if they don't follow, they can be disciplined or discharged and especially in some of the other environments that don't have a union, we're concerned about that. We're also concerned about how the policies and procedures are going to be implemented and how the training is going to take place for the employee groups. Ninety plus pages were sent to us for review, to all the policies. Not all of which apply to us, however, an employer, a manager is going to have to tease out those issues that impact us and find a way to convey those issues and procedures to their employee groups on a 24/7 clock. All employers don't necessarily do this in a very cogent and effective way, but I can tell you not everybody has the skill set to do this. And as employers change, managers change and some of these issues get lost in the shuffle. In the meantime, employees are going to be the ones who are going to be disciplined as a result of the lack of enforcement. You heard Norm Tin talk about his officers who will be the ones to enforce these rules.

The procedure for filing complaints is not clear. While there is a noted procedure that will be taken up by the Airport Commission and Commission staff, we are not informed as to what this is, what are those steps, how do we find that out, was it written in English, Tagalog, Spanish, Chinese, how do we allow those employees who need to be able to report problems. There's nothing in the policy that says and to do so call this number, go to this place, do whatever. We really need to make sure that that opportunity is well known to every employee who may have an issue with this. Retaliation is a big issue. We're very concerned that employers, if their employee gets fined or disciplined, the employer who also gets fined might suggest that they fine or discipline the employee in addition to whatever the policy implementation results in. So if you get fined by an officer, you also might get penalized by your employer. If you pull a red tag off a tug on the airfield that doesn't have brakes or a leaky tank that's trying to fuel an aircraft. Director Martin said, and he's right, we will go CalOsha about these bugs, we will go to CalOsha about leaky fuel tanks, but we wanted to make sure that you all knew that our concerns were about implementation of policies so that you didn't get caught unaware when we report this. We do not do this because we think you're against the workers. We understand that you care about that, and we do too. But we want to make sure that you knew what our concerns were before we went to another outside governmental entity. We want you to be aware so that you can address some of these concerns. So let me give some of suggestions that came out of the group as we discussed it. Please don't impose penalties on workers until we have time to see how the implementation rolls out. We want to see what the unintended consequences might be, make sure there are appropriate and accessible procedures for employees and they're available in the multiple languages of the people performing these duties. If fines are going to be imposed and we hope they aren't, set up a procedure that allows a payment process so workers are able to make payments that do not create undue hardships on their families, and revisit the level of penalties to be imposed. Have joint meetings with the employees and managers, make sure that people are side by side and that it's documented because they need to hear what we're hearing and we need to hear what they're hearing in order to move forward in how this is being implemented. Those people can be notified and make sure that the penalty on the company. If a worker's forced to comply, there has to be a process by which they can report this because sometimes there is no documentation, it's a verbal and direct order. If you call the employer and ask if an employee was told to drive a tug that doesn't have any brakes, do you think they're going to say, yes, we decided to violate the rule and we told our employee to do it? We don't have the ability sometimes to go above their heads without the fear of retaliation. So we want to know if there's going to be a process that you set in place. When those instances occur, and they do daily, you can hold the County or the company accountable for what they're trying to impose on the workforce. I really appreciate the extra time. I just want you to understand that this is serious for us and for you. Thank you.

Mr. Andrew Sun said Thank you very much, I am here to speak on the issue of TNCs a Rent-A-Ride car companies. I appreciate the Airport beginning to adopt regulations for the use of these vehicles in our airports. I'm fearful that while the regulations are sound and moving in the right direction, our ability to actually enforce or implement is going to be somewhat problematic. These companies and their attended independent contractors have shown a blatant disregard for providing any information that allows us essentially to monitor any of their activities. They continue to come to the Airport without regard for any safety regulations. Let me point out three specific areas. The regulations that cover taxicabs runs about 6 ½ pages to the extent that you require all taxicab drivers to have a working flashlight and ballpoint pens with blue or black ink in their possession when they go the Airport. The regulations that we have right now for the Rent-A-Ride companies that have sort of peered up, are relatively ½ a page, no more, no less. We have no way to essentially make sure that any of these vehicles are inspected in a timely manner. We don't have any way of requiring, as I think the intention is, these companies and their independent contractors to provide that information to the Airport or ways in which we can make sure that they are clearly identified as having a permit or that they used their color identities when they go to and from the Airport. Those are all areas that I think if you adopt these regulations you need to make certain that staff works with the companies to gather this information so that you can review at an appropriate time. We can't adopt regulations and then not have the ability to enforce. On behalf of Luxor and Yellow Cab, we follow all the rules, we're proud to be part of San Francisco for a long, long time, we're proud that all our mechanics are part of a union contract and we hope you will take this first step in moving in the right direction because we know we need to make certain that the proper regulations are followed. Thank you very much.

Commissioner Mazzola said Thank you for your testimony. Okay, we have no more written public comments. So Jeff you're here to solve every problem we've heard.

Mr. Littlefield said we've heard a lot of feedback and input. We've heard what the Airport is actually trying to accomplish. But I just want to be really, really clear that the Airport has no other motivation whatsoever other than to ensure that there's a safe operating area out on the ramp, out on the airfield, that the employees who are out there are complying with Rules and Regulations, best safe practices, and the employers themselves, are properly maintaining equipment that is potentially dangerous if not maintained properly. That is our sole motivation, there is absolutely nothing else hidden beneath the leaves here and I just want to convey that before I mention a couple of other points. I want to draw the distinction with this Rule and Regulation revision that the shared accountability piece of it draws upon equipment maintenance which is vastly different than behavior. Behavior, I think that the people who work out there need to fully understand that it's in their best interest to stop at stop signs, it's in their best interest to slow down, it's in their best interest to do user checks are ground equipment. The employer also needs to know that it's in their best interest to properly maintain equipment because that eliminates or reduces preventable accidents and injuries which ultimately costs money as well. Aircraft damage, employee injuries, people out of work for long periods of time, all of those things have adverse impact the employer bottom line, their reputation and individual employees who come to work and simply try to do their job. In terms of my background and experience, I worked for United Airlines for 21 years. A lot of that time I spent on the ramp, loading and unloading airplanes, I've martialed airplanes, receipt and dispatch. I've cleaned airplanes on midnight shift, I do understand everything that they're making reference to. I've de-iced airplanes, I've fueled airplanes. I just want you to understand that what we're after here is totally targeted toward the mutual benefit of all of us and the reputation of this Airport. There's nothing hidden. I just wanted to say that in terms of enforcement of the policy, the Airfield Safety Officers who I've met with a number of times, even before we started to establish this more aggressive fine structure, understand that when we move forward with this we're not going to just pull the trigger and come out. Every person that's going one mile an hour over the speed limit gets a ticket. Every person that does the slightest thing in deviation from the established Rules and Regulations, is going to be held accountable to the maximum financial extent possible. That's not the intent. The intent is to ensure that there is accountability in place. We're going to have a reasonable approach. The progressive admonishment and citation process allows for the Airfield Safety Officer to give the person a verbal warning on more than one occasion. They could do that three times if they want, they're going to use some discretion and I've insisted so far that they use discretion because we want the program to be successful. We don't want a backlash and while a lot of the issues that have been raised here are between the employee and the representation and the employer I have offered in the meetings that we've had to sit in on many meetings, on any meetings with employers, airlines, and ground handlers, which I've already done quite honestly, to ensure that the fine structure's understood, that what we're trying to accomplish is understood, and help facilitate that. But, in closing I would just say that this Rule and Regulation revision, especially as it pertains to safety, is not controversial.

It's in the best interest of everyone out there and there's no hidden motivation whatsoever.

Commissioner Johns asked if the ASOs were the ones who enforce the rules and who employs them?

Mr. Littlefield replied that the ASOs issue admonishments and the Airport employs them. They report to me through a number of levels of managers.

Commissioner Johns asked if the Airport has the procedure for reviewing a fine that was issued.

Mr. Littlefield said yes. If you get an actual fine, if it gets to that point, beyond all the admonishments and warnings that are possible, then the employee has 30 days to pay the fine. They have 10 days from the date of issuance to appeal and that appeal comes directly to me. It's going to come directly to me for my review, initially, and the approach will be taken to determine whether or not something was done blatantly, irresponsibly, by accident, misunderstood the rules, all of that will take place prior to moving forward with any type of fine being imposed.

Commissioner Johns asked if the employer is involved in the process.

Mr. Littlefield said the employee actually submits the appeal. The employer is copied on the citation.

Mr. Martin said in many cases we've been told some employers will fire an employee for a driving violation. If we fine the employer, the employee will likely be fired. So we've kept the fines low ... $50. For example, if an employee is driving a truck the company doesn't get the fine, the person driving the truck on the freeway gets the fine so the employee doesn't lose their job. In some ways we're trying to protect the employee as well.

Commissioner Johns asked about the type of problem with the vans not being clean. Is that a different sort of enforcement?

Mr. Littlefield said that pest control is a challenge at airports and we do have folks that address it. From time to time it's brought directly to my attention that there's a particular area that needs an exterminator or some focused attention in that regard. I feel that we're responsive to that. What was brought up here earlier today was infestation inside of vans or ground equipment that are owned by specific companies. The Airport does not exterminate for individual companies.

Mr. Martin said it's a CalOsha issue. I encourage employees to call CalOsha today. It's shocking that they're in that condition.

Commissioner Johns said it sounds like it's sort of a catch 22 because they're eating in the vans and putting trash in the vans, so it's going to attract bugs.

Mr. Littlefield said so what I would share in regards to that, and I'm speaking from my own experience having cleaned airplanes on the graveyard shift, is that their lunch time, ideally, would start when they get back from cleaning the planes, not from the time they finished cleaning a plane. It takes 20 minutes to drive from the Superbay back over to the Terminal.

Mr. Martin said I think CalOsha requires some reasonable space for meals and breaks so I think CalOsha can step in. Commissioner Mazzola may have some thoughts on this.

Commissioner Guggenhime said that when I use to ride bikes, and I run a lot, I wear loose clothing. Section 5.27 is pretty clear to me. I wear tighter reflective clothes which are more reflective than the jacket you're wearing. Next, they have to turn it in at the end of their shift, and you don't know what size you're going to get on your next shift. Can't the employer and the employee, with the help of the Airport, understand that those things are dangerous. You can hook yourself on any number of pieces of equipment or a bicycle. It seems to me there ought to be a way that we could encourage employers to provide reflective gear to each individual employee.

Mr. Littlefield said I think you're right on track with that. If you look at the Rules and Regulations revision, we're just pointing out that reflective clothing is required. I'm not saying you have to wear a vest.

Commissioner Guggenhime said so what I'm saying is United gives him clothing that's unsafe.

Mr. Martin said this is something we'll go back and address. We will hold the item over, but this one item on reflective clothing sounds like something we need to go back and work on. All the fines are low to begin with for employees. It's not my intention to fine an employee $750 for a one time infraction of not wearing reflective clothing. I can require all of the Airport tenants to provide the right kind of reflective clothing and if that doesn't meet United's current policy, tough luck. They're at our Airport, they follow our rules and they'll be required to do that.

Commissioner Guggenhime said and I have a problem with the language spot.

Commissioner Crayton said first of all, let me thank you for your communication with all of the tenants. John has adequately addressed the fact that they need to complain to CalOsha, but I think as an Airport we need to let them know it's not acceptable to have vermin and roaches in those vans. They can let the employer be fined, so that employees are not afraid to be fired by reporting it. I feel that it's inhumane. I know you have a team of people but you're dealing with a mountain load of issues. Some of them we have jurisdiction over, and some we don't. I feel that we cannot tell the employer that you have to do this, this, and this, however, there are certain things that as an Airport I feel we must maintain in terms of CalOsha. As far as I know, we've done that in prior years. Those bug bites that I see are not acceptable. That needs to be taken care of immediately.

Mr. Martin said and I encourage all the union reps to do that. If you see something, call CalOsha immediately. Don't feel you have to speak to the Airport first. If there's an unhealthy, unsafe condition for employees, deal with it immediately.

Commissioner Mazzola said I'm glad to hear you're going to ask United to talk about reflective clothes and vests. This vest is so loose, it could fit me. But the truth is, they're dangerous and even the employer recognizes that. The employer says okay, when you're working around machinery or something that moves, take it off. Now if they take it off, they don't have anything else that's reflective. So they're out there without reflective clothing and an ASO can give them a ticket. It's a Catch 22. I'm glad to hear you're going to ask United to do that, and the other airlines.

Further, fines are not new, is that correct? So what compelled us to feel that we have to raise them.

Mr. Martin said this came directly from me. Because our fines were so low on vehicles that failed inspections, there was no incentive for companies to maintain their vehicles. They were just waiting for us to catch unsafe vehicles. Now, we're inspecting all vehicles. We need substantial fines to cause the companies to change their behavior. We have very few fines issued to employees. Usually, we write admonishments. We may ask that they be re-trained. But for an employee who lights a cigarette where they're not suppose to light a cigarette, runs right through a stop sign at 30 miles an hour on the airfield ... and we're dealing with a small number of employees who are not following the rules, who are not being safe ... but we need to have some teeth and $50 fine is not that much compared to what someone would get for speeding on the freeway. It's a small fine, but they need to feel it. Many areas had no fines. There were no fines for vehicle violations.

Mr. Littlefield said that a driving issue would be a $50.

Mr. Martin asked if there were fines for smoking in an unsafe area.

Mr. Littlefield said it probably didn't get exercised that frequently. There's littering, there's smoking, those types of things that are behavior related.

Commissioner Mazzola said that the employee then has 10 days to rebut the fine. And to rebut the fine and what is that process?

Mr. Littlefield said right now a citation is issued and on the back of the citation there's a place where you can write.

Commissioner Mazzola asked if we then contract the employee.

Mr. Littlefield said we take a look at it, consider all of the factors and then provide a response. That's an initial review, it's not really an appeal. If they're not satisfied with that, then there's another opportunity for a more objective and inclusive appeal process.

Mr. Martin said we are designating a hearing officer at the Airport for an appeal process.

Commissioner Mazzola asked if we had a hearing officer.

Mr. Martin replied no, we will be designating one.

Commissioner Mazzola said a speaker mentioned the TNCs. What are we doing to address the concerns of the gentleman about the TNCs? Is there anything in here we should look at again?

Mr. Littlefield said in the Rules and Regulations revision we really just make reference to the permit. The terms are identified within the permit itself.

Commissioner Mazzola said what concerns me, Jeff, was that he pointed out the rules for taxi drivers are three pages, and the rules for these new folks are ½ a page. Is it a level playing field?

Mr. Martin said the TNC permits are in a 60-page range too ... it doesn't show up in Rules and Regulations.

Commissioner Mazzola said so our Rules and Regulations refer to the 60-pages.

Mr. Martin said the fact is it's still under State Law and the City. Taxi drivers are subject to a lot more training requirements and regulations than TNC drivers.

Commissioner Crayton, referring to the $750 fine, noted that it's half of someoness pay. What part of that does the employer pay?

Mr. Martin replied we're going to do away with that. We're not going to fine employees $750 for not having a vest on. We're going to change that, if that's what it says.

Mr. Littlefield said there are categories that have dollar amounts associated with them. The category that John is referring to just happens to start with $750. If we change the category it would, for instance, change to $100.

Commissioner Crayton said it seems to me you need to be paid some more money, because you're dealing with all these issues, and this is huge. I don't even know how one person can handle this. I know that's your job but I also understand you're dealing with employers. It appears to me that they haven't heard a lot of this or if they've heard it, they turned the blind eye to it, especially regarding the infestations and things like that.

Mr. Littlefield said I meet with all of the airline managers over the course of a 12-month period, but I meet with United Airlines. I meet with the ground handlers when there's issues that surfaces. I have no issue hearing from the membership about certain things and sharing that when I do meet with these folks.

Commissioner Johns said I cannot imagine if any airline representative airline was here today and heard these safety issues about uniforms, that they would not immediately comply, given the liability that they are facing if, in fact, everything we've heard is accurate. It just makes no sense, so there's got to be some lack of communication somewhere, or somebody has lost some marbles.

Mr. Littlefield said there's a requirement for airlines and ground handlers to conduct monthly safety meetings and those are optimal forums for this type of dialogue to take place.

Commissioner Johns said but some things are not getting communicated or this simple issue would be resolved.

Commissioner Crayton said I clearly understand you have a responsibility for the Airport because we would be fined if we're not making sure that they're doing what they're doing. There's a miscommunication with the employers I believe, and we've got to try to work on that. I thank you.

Commissioner Mazzola said to answer the Rep. from the Teamsters about the unrepresented people at the Rental Car place, do your folks also give tickets and fines to those people for speeding, or running red lights?

Mr. Littlefield said that's on the public side. I think you're referring to the Police. I want to be clear on your question ... if there's unsafe behavior at the Rental Car facility on the public's side?

Commissioner Mazzola replied well not the public. The employees of the Rental Car companies take cars for washing, or whatever they do, and they speed and they're a hazard. If they're a hazard, do our guys tag and fine them?

Mr. Martin said there's no Police enforcement within that Rental Car facility. I think where the Rental Car Shuttles may feel the pressure the most is many of the cars are stored five miles away on the weekends and I think the drivers may feel like they're rushed to drive 80 miles an hour on the freeway. That's where they face a risk.

Commissioner Mazzola said I'm not concerned about the freeway, I'm concerned about Airport property.

Mr. Martin said we're not ticketing within the Rental Car Center and there's a very short distance on Airport property. I'm not aware of Rental Car drivers being targeted on Airport property by the Police.

Commissioner Mazzola asked if we can look into this.

Mr. Martin replied yes.

Commissioner Mazzola said that we're going to put this over to our next meeting. We have a request not to take any action today, so it will be recessed for two weeks from now, and then we will have another Public Hearing, and we will act after that. Mr. Gruberg, I know you got that 92-page packet late and you requested time so we're going to offer you the time. You can talk next time if you get the packet.

* * *

H. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

Commissioner Mazzola asked Mr. Gruberg if he wanted to speak under New Business. That closes the hearing for today. It will be open again in two weeks.

Ms. Kessler said I'm going to let my colleague about the Rental Cars go first, and then I'll speak to some other issues.

Mr. Chuck Andrew, Teamsters Local 665. To answer or to clarify, the Rental Car Center, the non-union shuttlers are moving vehicles within the Rental Car Center and my understanding is that the Airport Police department patrols that area and may issue citations within that property. There are non-union vendors who bring vehicles from off-Airport into the Airport and are driving within that facility, so I believe it would be patrolled by Airport P.D..

Mr. Martin said if you let me know or let Shelley know if you learned of any of your employers who have received citations from SFPD within the Rental Car facility.

Mr. Andrew replied okay.

Ms. Shelley Kessler, San Mateo County Central Labor Council, Airport Laborer Coalition, VP State Labor Federation said first of all, this issue about the ability for someone to report an issue when it occurs is not always accessible or available, no matter what. If you're out in the middle of the field, if you're being told to drive an unsafe vehicle, Mr. Littlefield said that there is a process by which a complaint can be filed after the event has already occurred if you're penalized and want to appeal. You only have ten days and if that person doesn't respond in ten days, it stands. But there's nothing ... there's no phone number, there's nothing that says here are the steps until you get that citing on the back which is your appeal. There's nothing that is available right now for someone to call and say, the brakes don't work on this tug, my field tanker is leaking, I'm being told to drive and if I don't, I get in trouble. That's one of the contradictions. The second thing is that the fines and penalties may appear to be low but they can mount up, and the employer may add an additional discipline and there's nothing we can do, there's no place that people can go, regardless of whoever is doing it. It's not just United by the way. And Commissioner Johns is correct, it should be any entity. The fact is they knew two years ago when they created those new uniforms. The people who have to wear them told them they need to have reflective striping on the uniform for safety when they're out on the AOA. They were told this two years ago and ignored that admonishment until the Airport said you need to have reflective. These guys wanted reflective because there the ones out there that can get hit so they wanted to have it and it was ignored. The part of the complaint that we're lodging with you today is you have policies that you said you have some control over and some you don't. Where you don't have control, we suffer the result. It's not like United Airlines doesn't have any money. They certainly could afford to implement your policies but choose not to, and they see the fines as the cost of doing business. So we just want you to understand the challenges between what you have the authority to do and what we're going to be stuck with because we don't have a way to address them appropriately.

Mr. Mark Gruberg said I just want to follow up on some remarks I was making earlier. The San Francisco Taxi Workers Alliance is currently going through a process of examining the issues of concern to taxi drivers and some of them do concern the Airport. We hope that we will have the opportunity to meet with staff and go over some of those matters. I don't want to anticipate them at this point, but we hope that we'll be able to have some productive discussions and possibly come to this Commission, if necessary, on some of those issues. The other thing I wanted to mention is about the TNCs ... I don't think you know what you're dealing with here. There was a meeting of the Mayor's Disability Council last Friday and a representative of Lyft said that their company has tens of thousands of vehicles serving the public in San Francisco alone and Lyft has reputed to be a smaller company than Uber. So we know from some exploration that you did here, something like 70 some odd percent of the vehicles that came out here to serve the Airport that were stopped and admonished did not have the proper trade dress, in other words had no markings on the vehicles that were actually providing this service. Now that doesn't reflect reality because the reality is that if they don't have the trade dress, the chances are you're not going to recognize them. So the vast, vast, vast majority of these vehicles coming out here, you don't even know that they're doing this. And to talk about one area of a level playing field, in the permitting process that you have for them, there is no requirement for an Airport inspection of these vehicles. All the taxis are inspected, all the limousines are inspected, every other type of ground transportation vehicle that serves the Airport on a commercial basis, is inspected. These guys are not inspected. We can't put a car on the road without an Airport sticker. You have no idea what these vehicles are like because, you're not even asserting the authority to inspect them. Many of these vehicles are full-time vehicles, they're providing as much service as taxis or any other. Uber has a plan where if you work over 40 hours/week, they give incentives and bonuses. Lyft has a plan where you buy a special vehicle and work 35 hours/week and there are incentives around that. So these are full-time commercial vehicles just like taxis and limos, and you're not inspecting them. Something is wrong here. Thank you.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government

Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

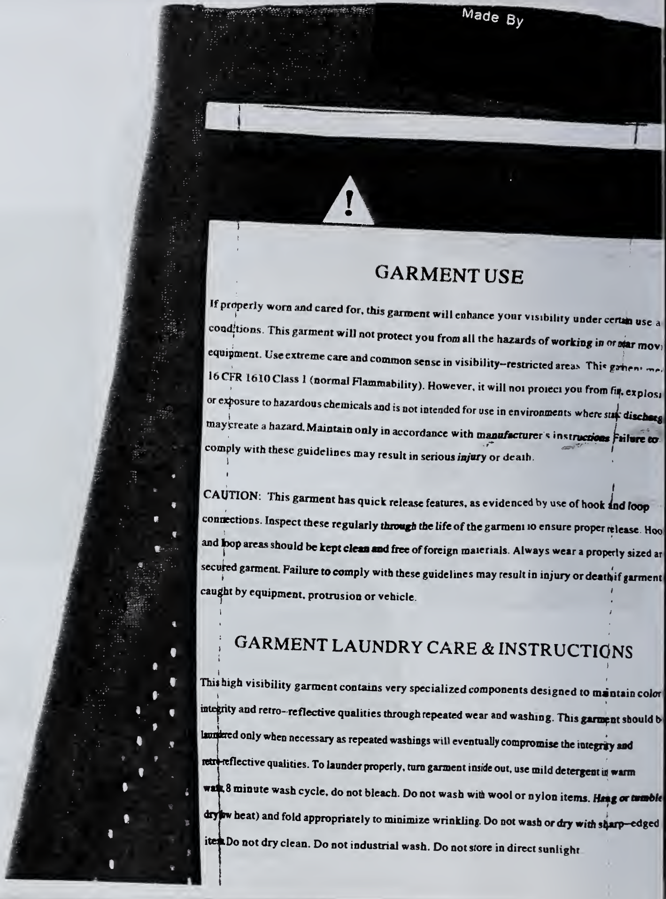
K. ADJOURNMENT:
There being no further calendared business before the Commission the meeting adjourned at 10:25 AM.

(Original signed by: Jean Caramatti)
Jean Caramatti
Commission Secretary

Airserv cabin cleaner's vans are infested with cockroaches, bugs, ticks and God knows what else!!! Employees have reported this issue many, many times for a long time now. And Airserv has not paid any attention to this health hazard that has been going on with their employees. These are the employees who clean the aircrafts that you and your family members get on!!!

United Service Workers West

SEIU



Made By

GARMENT USE

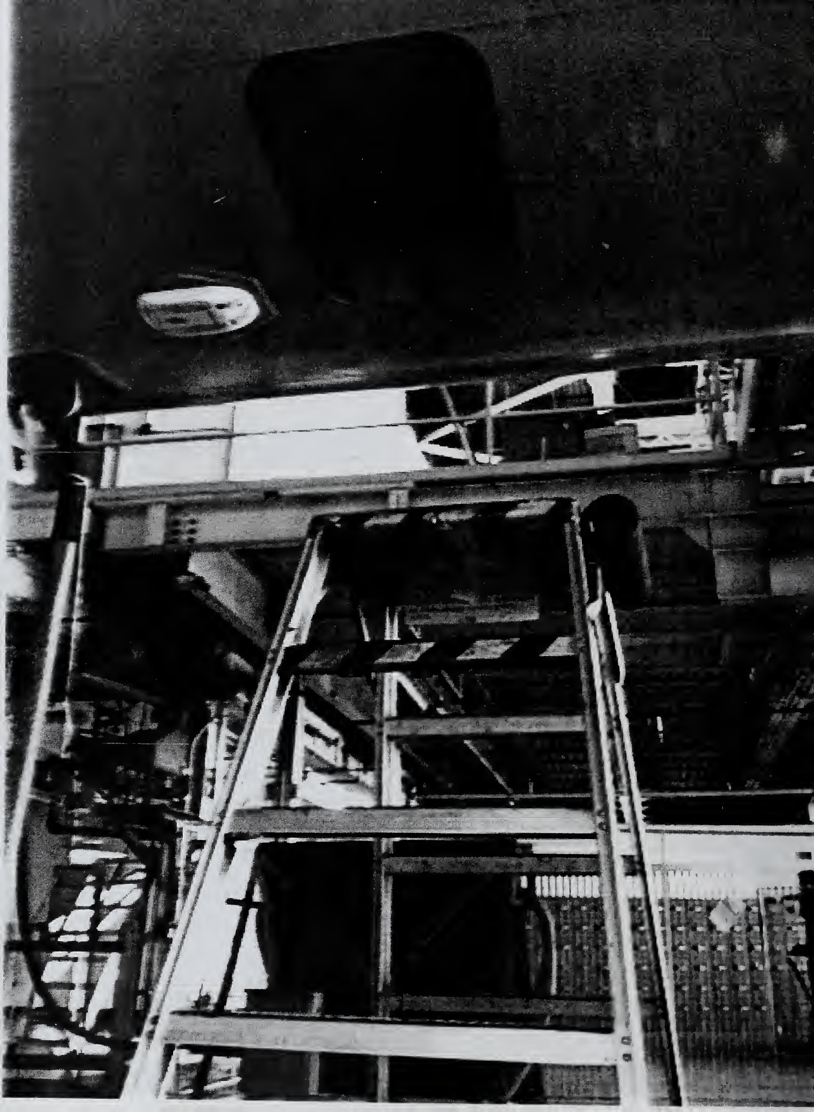
If properly worn and cared for, this garment will enhance your visibility under certain use a
conditions. This garment will not protect you from all the hazards of working in or near movi
equipment. Use extreme care and common sense in visibility–restricted areas This garment me
16 CFR 1610 Class 1 (normal Flammability). However, it will not protect you from fire, explosi
or exposure to hazardous chemicals and is not intended for use in environments where static discharg
may create a hazard. Maintain only in accordance with manufacturer's instructions Failure to
comply with these guidelines may result in serious *injury* or death.

CAUTION: This garment has quick release features, as evidenced by use of hook and loop
connections. Inspect these regularly through the life of the garment to ensure proper release. Hoo
and loop areas should be kept clean and free of foreign materials. Always wear a properly sized ar
secured garment. Failure to comply with these guidelines may result in injury or death if garment
caught by equipment, protrusion or vehicle.

GARMENT LAUNDRY CARE & INSTRUCTIONS

This high visibility garment contains very specialized components designed to maintain color
integrity and retro–reflective qualities through repeated wear and washing. This garment should b
laundered only when necessary as repeated washings will eventually compromise the integrity and
retro-reflective qualities. To launder properly, turn garment inside out, use mild detergent in warm
water, 8 minute wash cycle, do not bleach. Do not wash with wool or nylon items. *Hang or tumble*
dry (low heat) and fold appropriately to minimize wrinkling. Do not wash or dry with sharp–edged
items. Do not dry clean. Do not industrial wash. Do not store in direct sunlight

NO STEP



SAN FRANCISCO AIRPORT COMMISSION

MINUTES

October 7, 2014

9:00 A.M.

4

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of October 7, 2014

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K. CLOSED SESSION: 12

L. ADJOURNMENT: 13

AIRPORT COMMISSION MEETING MINUTES
October 7, 2014

A. CALL TO ORDER:
The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern
Absent:	Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:
The minutes of the special meeting of September 23, 2014 were adopted unanimously.

No. 14-0194

* * *

Ms. Jean Caramatti announced that Item 10, the Public Hearing Item, has been removed from the calendar.

* * *

D. SPECIAL ITEMS:
Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

1. Retirement Resolution for Ms. Edith Johnson

No. 14-0195	Resolution thanking Ms. Edith Johnson of the Facilities Division for thirty-eight (38) years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. John Martin, Airport Director asked Edith Johnson to step to the microphone. Edith is retiring after 38 years with the City, 35 years with the Airport. She's an Administrative Assistant and has worked almost all of her years at the Airport as an Administrative Assistant in the Maintenance Division where she's coached and mentored hundreds of Maintenance employees over the years. She has always been beloved by other employees. She really puts her heart into her work and Charities Campaign. She's led the kick-off for that campaign at the Airport for the last 16 years and has raised over $50,000. She's been leading our holiday food drive, helping to gather collections for that and making sure it's well organized. She embraced the high school and college mentorship program, and helped to mentor a lot of youth over the years. She has been an outstanding employee and has embodied what a great employee means at SFO. We thank Edith for her tremendous work over the years.

Commissioner Mazzola congratulated Ms. Johnson.

Ms. Edith Johnson said first of all I would like to say Good Morning to all of the Commissioners and John Martin and my ex-boss, Peter Acton and all who are present here today in my honor. It was a great pleasure to work for the City and County of San Francisco for many years. It was also a greater pleasure to work for the Airport Commission. When I first started with the Airport Commission, there were only two people in our Human Resources department and that was Pat Gibbons and his secretary, Sue. I saw a lot of changes at the Airport over the years, I had a lot of tears and heartache but I also had a lot of joy. I gave it my all, took it very seriously, and you know City workers years ago, didn't have a good rap, but I stood tall and I did my very best. When I left the Airport last week, I had 900 hours of sick pay on the books, 400 hours of vacation, and 258 hours of floaters, but God kept me healthy enough to come everyday, and he sustained me. He kept me strong. At was times I was tired but I knew I had a responsibility. I enjoyed working for the Airport and all of my coworkers and I'm here today to say thank you for allowing me to do what I've done for the City and County of San Francisco. I did it from my heart and I gave it my all. And now I can retire with my head up high, Thank you.

Commissioner Mazzola said we wish you luck in your retirement.

Ms. Johnson and said thank you. Last week was my first week and I didn't know what to do with myself.

Commissioner Johns said I just want to say thank you so much for your years of service and I know we here at the Airport Commission don't often get to interact with employees and it's wonderful to hear your positive comments, the joy and the sorrow. And we certainly appreciate your attendance and your wonderful work. I wish you well in your retirement.

Ms. Johnson thanked Commissioner Johns.

Ms. Johnson said that she also worked under three Airport Directors ... Richard Heath, Lou Turpen, and John Martin...he was my favorite of all. Thank you again.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

F. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

2. Modification No. 2 to Contract 9015.9 - Construction Management Services for Replacement Airport Traffic Control Tower and Integrated Facilities - T2 Partners, a J.V. of Parsons, The Allen Group, LLC and EPC Consultants, Inc. - $1,000,000

No. 14-0196	Resolution approving Modification No. 2 to the Professional Services Agreement, Contract 9015.9, Construction Management Services for Replacement Airport Traffic Control Tower and Integrated Facilities with T2 Partners, a Joint Venture of Parsons, The Allen Group, LLC, and EPC Consultants, Inc., in an amount not to exceed $1,000,000 for a new contract amount not to exceed $7,510,415.

Mr. Geoff Neumayr, Deputy Director, Design and Construction said this item approves Modification No. 2 for construction management services for the Replacement Air Traffic Control Tower in the amount not to exceed $1 million, for a revised contract amount not to exceed $7.5 million. This modification provides construction management services through the completion of the project. The Airport's portion of this project is scheduled to be completed at the end of April 2015. The modification provides for the cost of additional services related to FAA requested extension of our electrical resident engineer, increase inspection services related to fireproofing, and modifying working hours that were required due to the accelerated construction schedule and an extension of the construction management team for a period of one month that was a result of a change of the substantial completion date. This is a Federally funded project through an Other Transaction Agreement, therefore, there were no local business sub-consultant participation goals for the contract. The Airport did encourage best efforts to sub-contract 12% of this work to certified small and disadvantage businesses. The T2 Partners Joint Venture of the Allen Group, Parsons Corporation and EPC has committed to achieving the 12% goal. We recommend your approval and I'll be happy to answer any questions you might have.

Item Nos. 3 through 6 were called together, and moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

3. Modification No. 1 to the Professional Services Agreement, Contract No. 9356, with Landrum & Brown, Inc. to increase the scope of as-needed planning services provided and increase the contract amount by $1,484,000, for a new total contract amount not-to-exceed $2,584,000

No. 14-0197	Resolution approving Modification No. 1 to the Professional Services Agreement with Landrum & Brown, Inc. to add new as-needed Airport Planning Consulting tasks associated with the Airport Development Plan long range planning study and increase the contract amount by $1,484,000, for a

new total contract amount not-to-exceed $2,584,000.

Mr. John Bergener, Planning and Environmental Affairs said that each of these items is a modification to one of our as needed planning contract to cover additional scope associated with the Airport Development Plan. Since adoption of the current long range master plan in 1989, the Airport has added more than five million sq. ft. of landside improvements, including the International Terminal, two boarding areas, an automated people mover system, and a consolidated rental car facility. The prior master plan was based on passenger growth as high as 51 million annual passengers and based on recent aviation forecast, the Airport is positioned for sustained growth up to its maximum practical airfield capacity, having reached 45 million annual passengers last year. To accommodate this projected demand, the Airport Planning staff began a new long range planning study, the Airport Development Plan (ADP). The intent of the ADP is to provide a plan for terminal, landside and support facility development to accommodate future passenger and operational demands. However, the ADP would not address enhancements related to airfield capacity, such as new runways. The ADP will be prepared in accordance with FAA Advisory Circular for Airport Master Plans and when completed will ser vice the framework for long term development at SFO through its maximum, practical airfield capacity and form the planning basis for a programmatic environmental review. The ADP will also be submitted with future ALP submittals to the FAA in accordance with the new ALP submittal checklist which requires the inclusion of an updated long range planning study. Airport Planning staff anticipates completing the ADP through a series of focus areas studies from the pool of as-needed Airport Planning and Environmental Planning Management Consultants. They were selected competitively and adopted by this Commission in January 2013. The targeted focus areas studies will provide detailed analysis to inform the preparation of the ADP, including existing conditions, facility requirements, and development of alternatives. Each member of the pool of as-needed planning consultants has previously been awarded contracts for as-needed Airport planning work and has successfully completed tasks under these contracts. Based on their qualifications submitted in response to the original RFQ, each of the pool list consultants were selected to provide additional as-needed services in support of the ADP. These include Landrum & Brown for the ADP Integration and Preparation of the Consolidated Report, the International Terminal Redevelopment Study, and the Airport Wide Baggage Handling System Study. Leigh Fisher Associates for Ground Access and Parking Study, RS&H California for Support Areas Plan and Utilities Study, and Ricondo & Associates for the Airfield Taxiway System and Signage Study. We recommend approval of the Modification No.1 Professional Services Contracts, pool lists of consultants noted on Items 3 thru 6 to increase the scope of services, to assist Airport staff in the creation of the ADP, and to increase the contract amounts as noted on each Item.

Commissioner Johns said that she hoped we closely monitor our relationships with our consultants when we approve almost $3 million of as-needed services.

Mr. Bergener replied that we do. These are not to exceed amounts.

4. Modification No. 1 to the Professional Services Agreement, Contract No. 9358 As-Needed Airport Planning Services - LeighFisher, Inc. - $520,000

No. 14-0198

Resolution approving Modification No. 1 to the Professional Services Agreement with LeighFisher, Inc. to add new As-Needed Airport Planning Consulting tasks associated with the Airport Development Plan (ADP) long range planning study and increase the contract amount by $520,000, for a new total contract amount not-to-exceed $1,020,000.

5. Modification No. 1 to the Professional Services Agreement, Contract No. 9359 As-Needed Airport Planning Services - Ricondo & Associates, Inc. - $300,000

No. 14-0199

Resolution approving Modification No. 1 to the Professional Services Agreement with Ricondo & Associates, Inc. to add new As-Needed Airport Planning Consulting tasks associated with the Airport Development Plan (ADP) long range planning study and increase the contract amount by $300,000, for a new total contract amount not-to-exceed $1,100,000.

6. Modification No. 1 to the Professional Services Agreement, Contract No. 9360 As-needed Airport Planning Services - RS&H California, Inc. - $560,000

No. 14-0200

Resolution approving Modification No. 1 to the Professional Services Agreement with RS&H California, Inc. to add new As-Needed Airport Planning Consulting tasks associated with the Airport Development Plan (ADP) long range planning study and increase the contract amount by $560,000, for a new total contract amount not-to-exceed $1,560,000.

Item No. 7 was moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.

7. Bid Call - Contract Nos. 10041.51, 10041.52, and 10041.53 - Job Order Contracting (JOC) Construction Services

No. 14-0201

Resolution approving the scope, budget, and schedule for Contract Nos. 10041.51, 10041.52, and 10041.53, Job Order Contracting (JOC) Construction Services, and authorizing the Director to call for bids.

Mr. Geoff Neumayr said this item seeks approval for bid calls for three Job Order Contracts (JOC), each in the amount of $2 million for a duration of three years. JOC is a contracting method where potential bidders submit a bid stating the market fee that they will assess against various items that are included in the unit price book provided by the Airport. The three responsible responsive contractors who submit the lowest market fee would be recommended for award of this contract. Individual contract service orders are issued by the Airport and priced by multiplying the published unit cost to the agreed upon quantities and applying the bid markup to establish the cost of the task order. JOCs provide an as-needed availability workforce for construction services for work that cannot otherwise be performed by the Airport's Facilities maintenance staff for immediate response to required repairs that if not expedited could impact Airport operations and safety and small predecessor work in preparation for larger projects. The Commission previously approved two pilot JOCs, one in the amount of $1.5 million and the other in the amount of $1 million. Both contracts appear to be very successful and are nearing approved contract capacity. The Airport would like to continue the JOC program. Ivar and I met with the San Mateo Building Trades Council last week and they were very satisfied with how those programs have gone at the Airport. They did make two requests of us. One is that before we have a bid call, that we have a sub-contractor outreach to publicly advertise the types of work that we will include in these contracts so that they can respond to it and have the opportunity to work at the Airport, and, to review our unit cost to make sure that they've been updated for current wage increases, etc. We will do both of those things prior to issuing those bid calls. The City's Contract Monitoring Division has approved an LBE goal of 25% for this contract.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 8 and 9, was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

8. Award of the Foreign Currency Exchange Service Lease to Travelex Currency Services, Inc.

No. 14-0202	Resolution awarding the Foreign Currency Exchange Service Lease to Travelex Currency Services, Inc.

9. Bid Call - Contract 10595 - West Field Garage Modifications

No. 14-0203	Resolution approving the scope, budget, and schedule for Contract No. 10595, West Field Garage Modifications, and authorizing the Director to call for bids.

Commissioner Guggenhime mentioned the high cost of changing money at the Airport. It's cheaper to wait and change your money at your destination.

Mr. Leo Fermin, Chief Business & Finance Officer said that we do have language in the lease that addresses the exchange rates and we do require that any deviation requires Airport approval. We will follow up with Travelex to maintain some sort of monitoring program of the exchange rates. Although right now with technology and the fact that everyone knows they can get foreign exchange at ATMs in different countries, we think that the environment should be fairly competitive because everyone knows what the rates are across the board.

Commissioner Guggenhime said these high rates leave a bad taste for travelers.

Commissioner Stern asked what is the difference in the rate between Travelex and a bank.

Mr. Fermin said I don't know off the top of my head. It varies on a daily basis and by currency.

Commissioner Stern asked what's the base rate.

Commissioner Guggenhime said you're better off changing your money at your destination.

Mr. Martin agreed.

Commissioner Stern asked what's the general rate?

Commissioner Guggenhime did not remember.

Mr. Martin said we'll provide a follow up to the Commission on the provisions in the lease.

Commissioner Mazzola said that the rates change pretty often, don't they?

Mr. Fermin replied that they change everyday.

Commissioner Mazzola said that's pretty hard for you to monitor. Does the language in the agreement call for monitoring on a weekly or monthly basis?

Commissioner Guggenhime said it's very high.

Commissioner Johns said it's called convenience. Smart travelers know.

Mr. Fermin said we will follow up.

* * *

PUBLIC HEARING:

Item No. 10 was removed from the calendar and put over to the meeting of October 21, 2014.

10. Second Public Hearing to Receive Comments on the Proposed Amendments to Rules 1 through 9 and 12 through 14 of the Airport's Rules and Regulations and to Vote on Adoption of the Proposed Amendments

Section 1 – Definitions
Section 2 – Violation, Severability and Interpretation
Section 3 – General
Section 4 – Operation of Motor Vehicles
Section 5 – Aircraft Operation
Section 6 – Fire and Safety
Section 7 – Airport Security
Section 8 – Airport Environmental Standards
Section 9 – Airport Permit, Lease or Agreement Requirement
Section 12 – Labor/Peace Card Check Rule and Model Card Check Agreement
Section 13 – Free Speech and Expressive Activities
Section 14 – General Fines

Resolution approving the proposed amendments to Rules 1 through 9 and 12 through 14 of the Airport's Rules and Regulations.

* * *

I. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

Mr. Norm Ten, SEIU 1021, Field Rep., said I want to say thank you very much to the Commission, and I would like to applaud Ivar for truly listening. The reason I say this is because the best solutions come when we listen to each other. There's more than one side to the story. In fact, there are usually three sides. With that, I want to let you know I represent the Airfield Safety Officers (ASO) who would implement the fines and admonishments. The best solution is to get them involved and their buy in. The ASOs actually have trainers. If we could get these trainers involved at the front end to develop the training, we'll have a win, win solution. Thank you.

Ms. Rowina Loreto, representing SEIU, Service West members, said thank you for reaching out to AirServ, to take immediate action to the health hazard issue among the cabin cleaners that we raised at the last meeting. The company has said that they are getting rid of the infested vans and buying new ones, but that only solves half of the problem. These cabin cleaners are out at the Super Bay cleaning aircraft. They don't have a decent place to eat, and end up eating inside the infested vans. We will end up with the same problem all over again. We may also potentially be placing a lot of our employees and passengers in danger so any effort to assist us in obtaining a clean, safe place for workers to take breaks closer to their work area would be greatly appreciated. Also, we would like to thank the Commission and Ivar Satero for the written statement to the House of Representatives in July with regards to TSA cutting the budget again for screeners and Covenant. But as of September 10, TSA once again explicitly expressed in a letter to the Department of Labor their intentions of not honoring the Service Contract Act and just bid out the contract to the lowest bidder. SFO is one of the largest international airports in the nation and we have one of the highest security ratings in the nation. This is because of the screeners who take pride in their work to keep our Airport safe. If they get out bid, we will again face a high turnover with our screeners like we had years back. We have many very experienced screeners who have trained other screeners after them. In accordance with SFO's standards, let's keep our airport safe. We're asking the Commission to continue to support us in the fight and to keep our airport safe. Thank you.

Ms. Shelley Kessler said I'm here to help affirm to you that when something good happens, we really, really appreciate it. Reducing the fines, the ability to appeal, the whole communication starting with Jeff Littlefield coming to us to have a conversation, Ivar coming, John's office being available, we just want to say thank you. It's because of the communication that we are actually able to get things accomplished. This Commission has been very empathetic to the issues that got raised last time we were here. We're grateful for that. We just want you to know that we hope we can continue that conversation, to address issues before they become a crisis, and to continue the good work that all of us have been doing together. So I'm here just to say thank you for all the help, we really appreciate it ... Jeff, Ivar, John, everyone's been wonderful. Thank you so much. You too, Jean, and Kandace and Julian.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code

Section 67.12).

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:25 AM.

(Original signed by: Jean Caramatti)
Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

October 21, 2014

9:00 A.M.

114

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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Minutes of the Airport Commission Meeting of October 21, 2014

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D.		SPECIAL ITEM:		
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E.		ITEMS INITIATED BY COMMISSIONERS:		4
F.		PUBLIC HEARING:		
	2.	Second Public Hearing to Receive Comments on Proposed Amendments to Rules 1 thru 9 & 12 thru 14 of the Airport Rules & Regulations	14-0206	4-17
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	3.	Lease Agreement with Menzies Aviation (USA), Inc. for Space in West Field Cargo Building 632 and Related Areas on Plot 9	14-0207	17-18
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	4.	Modification No. 4 to Professional Services Agreement for Contract 9048.9, CM Services for Terminal 3 Improvements Project -CPM/ECS, T3 East J.V.	14-0208	18
	5.	Award Contract 10512.66 - Design-Build Services for Lot D Improvements and Parking Access Revenue Collection System Automation - Galliera, Inc., dba Trico Construction	14-0209	18-19
	6.	RFQ/P - Contract 10050.71 - Fire House No. 3 and South Field Checkpoint Relocation Construction Manager/General Contractor Services	14-0210	19
	7.	Modification No. 2 to Professional Services Agreement, Contract 9348 for Environmental Planning Services - LSA Associates, Inc.	14-0211	19
	8.	RRQ/P - Contract 9273.41, Project Management Support Services (PMSS) for the Long Term Parking Garage No. 2 Project	14-0212	19

9. RFQ/P - Contract 10012.66, Terminal 1 Baggage Handling System (BHS) Design-Build Services 14-0213 19

10. Bid Call - Contract No. 8587B - Storm Drain Pump Stations SDPS-1B and SDPS-1C Improvements 14-0214 19-20

11. Reject All Proposals to Develope a Zero Waste Solid Waste Management Plan - Contract 50000 14-0215 20

12. Assignment of Technology Products Stores Lease 07-0108 and International Terminal G Electronics Kiosk Lease 13-0048 from ILJ San Francisco, LLC to InMotion Entertainment Group, LLC 14-0216 14-0217 20-21

13. Ratify Settlement of Unlitigated Claims of $10,000 or Less and Litigated Claims of $25,000 or Less During FY 2013-2014 14-0218 21

I. NEW BUSINESS:
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J. CORRESPONDENCE: 23

K. CLOSED SESSION: 23

L. ADJOURNMENT: 23

AIRPORT COMMISSION MEETING MINUTES
October 21, 2014

A. CALL TO ORDER:
The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Eleanor Johns
	Hon. Richard J. Guggenhime
	Hon. Peter A. Stern

* * *

C. ADOPTION OF MINUTES:
The minutes of the regular meeting of October 7, 2014 were adopted unanimously.

No. 14-0204

* * *

D. SPECIAL ITEM:
Commissioner Crayton, with a second by Commissioner Guggenhime, nominated Commissioner Mazzola as President. Commissioner Guggenhime, with a second by Commissioner Mazzola, amended the nomination to include Commissioner Crayton as Vice President. The vote to approve was unanimous.

1. Election of Officers

   No. 14-0205

* * *

E. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

F. PUBLIC HEARING:
The Public Hearing was convened at 9:05 AM and ended at 10:07 AM, there being no further public comment. The item was moved by Commissioner Crayton and seconded by Commissioner Stern. The vote to approve was unanimous.

2. Second Public Hearing to Receive Comments on the Proposed Amendments to Rules 1 through 9 and 12 through 14 of the Airport's Rules and Regulations and to Vote on Adoption of the Proposed Amendments

Section 1 – Definitions
Section 2 – Violation, Severability and Interpretation
Section 3 – General
Section 4 – Operation of Motor Vehicles
Section 5 – Aircraft Operation
Section 6 – Fire and Safety
Section 7 – Airport Security
Section 8 – Airport Environmental Standards
Section 9 – Airport Permit, Lease or Agreement Requirement
Section 12 – Labor/Peace Card Check Rule and Model Card Check Agreement
Section 13 – Free Speech and Expressive Activities
Section 14 – General Fines

No. 14-0206	Resolution approving the proposed amendments to Rules 1 through 9 and 12 through 14 of the Airport's Rules and Regulations.

Mr. Jeff Littlefield, Deputy, Operations & Security said that on Sept. 23, 2014 the Airport requested approval of proposed revisions to the Airport's Rules & Regs. Such an overall revision had not occurred since this Commission last adopted changes back in April 2011. Since that time it's become necessary to revise the Airport's Rules & Regulations to include several very important updates. As referenced in our previous meeting, the majority and most significant changes are related to Safety & Security at SFO. We've incorporated safety, behavioral, and ground service equipment maintenance requirements that pertained to both employers as well as individual employees. In recent meetings with stakeholders, particularly the San Mateo Labor Council, the Airport addressed concerns highlighted at the Sept. 23, 2014 Commission meeting which reference 2 points: 1) The Airport's requirement for reflective clothing; 2) The category or dollar amount of fines that could be assessed to an individual employee. For the reflective clothing requirement, employers will be required to provide reflective clothing and employees must wear reflective when working in or around aircraft, except when a competing safety concern requires the removal of such clothing. For individual employee fines, employees working on the airfield may now only be assessed monetary fines in amounts specified under the A category which is $50, $75, or $100. In addition, the Airport has been in contact with senior leadership at AirServ regarding the bug infestation issues raised previously involving cabin service vehicles at SFO. Changes have been made procedurally with AirServ where cabin service workers no longer carry or store garbage in their cabin service vehicles and AirServ is in the process of replacing their entire service vehicle fleet. The Airport remains confident that these revisions are appropriate and in the best interest of employees, employers, and the Airport community as a whole, as well as in support of our vision, core values, and cultural safety at SFO.

Rules 1 thru 14 were revised, and the two points that I referenced were the issues that came up on September, 23, 2014. With that I recommend adoption the amendments in Rules 1 thru 14 of the Airport's Rules & Regulations

Commissioner Mazzola said we're going to take public comment now.

Commissioner Johns said I have a question on bug infestation. I understand they can no longer put their garbage or their lunches in the vans, but what about the break situation? Where will their meal breaks occur?

Mr. Littlefield replied that AirServ is looking at some lease space now.

Commissioner Johns said they know it's an issue and they are dealing with it. Is that correct?

Mr. Littlefield replied yes. They are in the process of looking at additional break space and we've outlined space that I don't think they're aware of. There's common break space in Terminal 2 and an employee cafeteria in Terminal 1.

Commissioner Johns asked if that was too far away from their work location.

Mr. Littlefield said it is a long distance. I was just pointing out those two additional areas that are available should they be able to use them. But they're also looking at picking up some additional lease space.

Commissioner Johns said I think that's a big issue.

Mr. Littefield replied it is.

Commissioner Johns thought they did have reflective in the past, but the problem was there wasn't enough reflection on the clothing, so just saying reflective clothing perhaps is not enough. It has to be reflective clothing that's going to meet requirements so that these folks are safe.

Mr. Littlefield said just for clarification, the reflectivity of the clothing, the apparel that they were wearing was not the issue. It was the loose fitting clothing. The Airport is going to require that the employers provide reflective clothing.

Commissioner Johns added that's appropriate to meet safety conditions in fit, design and reflectivity.

Mr. Littlefield replied that's correct. And, whenever there's an issue or a conflict because the employer provides loose fitting clothing, or when there are competing safety concerns, they'll be allowed to take the vest off for the period of time in which they're doing their work. It will resolve the issue.

Commissioner Mazzola said that we have 12 speakers. I appreciate you all being here, but let's try not to say and talk about the same things so it's not redundant. If you have a different subject, please come up. Mark Gruberg, you're first.

Mr. Mark Gruberg, Taxi Workers Alliance said first of all, why are you approving Rules & Regulations and issuing permits to companies that have been serving the Airport unlawfully for over two years? You routinely run cab drivers out of the taxi lot for minor infractions. These are criminal violations that have occurred over a million times by my estimation. Why should we have to obey the law if they can ignore it with impunity and be rewarded in the end? Why were these agreements reached in secret? This is a major policy decision on the part of the Airport. Why wasn't the Commission involved? Were you even informed? Why was the public shut out of this process? Why are they being allowed to operate in violation of the Americans with Disabilities Act which requires equal access for persons with disabilities. The permits you've issued them explicitly require them to comply with the ADA, so where are their wheelchair accessible vehicles? Why don't they have to meet the same standards that apply to taxis? We're officially inspected, they're not. We must have driver permits, they don't. Why are you setting aside a lot for them when you don't even make enough room for cabs that want to be here? Why are they allowed to use their apps to pick up passengers when we can't use ours? Have you read the terms of service for these companies? They require passengers to sign away all their rights. Let's pose a hypothetical situation ... a driver has an argument with a passenger on Airport property, steps out of the ride service vehicle and smashes that person in the eye with a hammer. Of course, this could never happen in real life, but let's say it did. Is it acceptable to the Airport that a passenger injured in that matter has no rights against the company providing the transportation? Isn't the Airport placing itself at financial risk by letting that company operate under those conditions? Taxis are an essential component of Airport ground transportation. We pick up everyone who needs our service. You can't function without us. Can you function without Uber, Lyft, and SideCar, of course you can. You did for decades. So why are they being given advantages that we don't have. We ask that you not approve these Rules, at least they relate to ride services, and we ask you to put these permits on hold and have a public process before allowing them to begin lawful operations.

Ms. Tara Houseman said I would like to speak more intelligently on the TNC permitting but I tried like crazy to find these sections that you're going to speak about online and could not. I was past to five different people here trying to find the information and could not, until one gentleman handed me a tome that I was not going to be able to familiarize myself with by the beginning of the meeting. I'm concerned that there are no inspections of the TNCs. Isn't passenger safety as important in a TNC as it is in a taxicab? They're also managing to avoid the inspection fees as well, which is a tremendous burden on the taxicabs as well as the time out of service for inspections. Where will they be staged. I couldn't tell from anything I could find online. Why is it that I can only pass through half of the fee that I have to pay you, but they can pass through the entire fee that they pay you? Why do I have to have a transponder while they're on the honor system? These companies have made a business model of ignoring rules, ignoring laws, and then when caught they lobby to make the rules fit them. This is their business model. Other tech companies have called it the Uber model. It's wrong and they're making a mockery of how you're trying to operate the Airport safely. The fact that there was no input from the public, and the fact that they're not ADA compliant is deplorable. We, as cab drivers, function under a myriad of rules and the consequences for not following one of those rules is tremendous, yet it's okay for them to ignore all of it. This is wrong. It's not a level playing field, and you're going to find yourselves with fewer and fewer ground transportation options because this is part of what's going to put us out of business. Our business is already down 65%, and that's not even including the Airport. Thank you.

Mr. Mesfin Yohannes said you are authorizing Sidecar and Uber to have space at the Airport, but you can't even provide the simple taxi that's been there for a long time enough space. I wonder if you have been at the Airport when it's busy and people are waiting at the Terminal for a taxi and the taxis are waiting to get into the lot. It seems like we have a problem. Before you provide space for Uber or SideCar, I'd really appreciate it if you would provide us with a parking lot at the Terminals. They have to be competent and know what they can provide and how efficiently. I don't see running around driving and wasting gas. I'm polluting the air. That's my question.

Mr. Bill Nieto said I'm a second generation San Francisco native. My kids are the last in my family to still live in the City. My son drives a cab and I'm trying to protect his job. These Uber and Lyft drivers don't have the same background check and stuff like that. I watched the news this morning and saw where an Uber driver assaulted a woman. He threw her phone on the floor because he took her to the wrong place and she was upset. I'm the last of a long line of San Francisco natives who want to stay in the City. Forcing people out of their jobs is not right, or making them take less for the equal right to live in the City. My daughter is a hairdresser, my son is a cab driver and I'm fighting for them to stay in the City. Please give us San Francisco natives who want to stay here a break. Thank you.

Mr. Ed Healy said I'm a taxi driver. I've got to say, you look really bored. I'll try to lighten up a little bit. I can't understand why you okayed SideCar. I assume that they have to pass Airport inspections like we do, that they had to be vetted by the DOJ and given fingerprints. Have you actually okayed this with Homeland Security that you're letting a lot of people in here who have not really been vetted by anybody? Unless you have fingerprints you don't even know who they are. Also, you're letting these vehicles in here without the Airport inspecting them. You're talking about public safety as a major issue. People have made reference to one or two examples of a driver hitting someone with a hammer. This morning we heard about a driver who assaulted a woman. I've got a list of about 24 incidents that I'm going to send to you. This isn't just a once in a while thing. Uber, in particular, does not vet their drivers. They're interested in putting people out as fast as possible. They don't care if they get an occasional criminal. They've got their terms and conditions saying they can't be sued and they're incorporated out of the country. So, you're not going to get any money. You're letting totally out-of-control people into this. We've covered the fact that these people aren't vetted and they're potentially dangerous. It would be easy for someone to come in and do a terrorist act. How would you know? The Airport has done various tests on these people and found that a lot of them don't even have a driver's license. They found one driver who had sex crimes against him and he was going to pick up a 22 year old girl ... and you're not going to vet them like you do us. I don't know why you're inspecting limousines and cabs if you're going to let these people in and not inspect them. And there's the element of pollution. These people manage to sell themselves as being anti-pollution but you've got ten times as many vehicles on the street as you do taxi cabs and you're basically going to be putting another group as big as taxi cabs out at the Airport. You want to be environmentally cautious, but these people have no controls. We're 97% hybrid. So, pollution and endangering people at the Airport. Thank you.

Mr. David Perlin said I've been a San Francisco cab driver for 25 years and I've never seen an element of piracy like this in my life. The illegality of these folks is unbelievable. What I don't understand is there have been many complaints by law enforcement at the Airport relative to them consistently breaking laws by bringing in folks, yet hardly anything has been done. So, you're going to go ahead and allow them to do this. Allowing them to stay in the Airport, pick up fares and drop off is encouraging criminality. We're suppose to follow the law. We follow the law and we pay our fees, and we pay our taxes to this City and we pay our A-cards and we are extremely regulated. These folks are literally criminals in many cases and they are operating criminal enterprises. I'm sure you know that District Attorney Gascon and the District Attorney of Los Angeles are investigating and possibly will be prosecuting these organizations on 4 or 5 major issues, and at the same time that this is going on and the top law enforcement officials in these two major California cities are taking action, to go against that and say that this criminal behavior is okay a very bad message to the public and ti the cab drivers who have worked very hard. It's very anti-labor. I come from a long, long labor tradition and we are working people trying to take care of our families, trying to serve the public. These people are just driving around and picking up without any knowledge. They are not invested in the city and are taking away our jobs. I think this is really terrible. We have served the public, we have served the Airport. I don't think we should be treated this way. Thank you very much.

Mr. Jeffrey Rosen, I'm a 20-year cab driver and I'm on the Executive Board of the SF Workers Alliance, a labor backed affiliate union. We're here today to send a clear message not to approve these rogue companies at the Airport. The blind eye has been pointed away from us on regulations on numerous levels, including the City of San Francisco allowing these companies to continue to operate. Much has been said about basic public safety around vehicle inspections, background checks, and basic non-compliance of regulatory rules regarding transportation. Over the past two years we collected between 7-10,000 license plate numbers from these rogue companies operating in San Francisco alone. These cars pick up people in the same fashion that cabs do, so they're basically providing the same service without the same regulations. We are surrounded by these cars in the City and now I see them overtaking the Airport. Cabs have to wait in line and sometimes they can't get to the terminals because there are too many cabs trying to get in. I see an environmental impact, I see congestion at your Airport, I see so many issues but at the end of the day it's public safety. I just want to remind you of that. I ask you not to allow them to operate at the Airport and allow further discussion. Thank you

Mr. Barry Korengold said I've been a cab driver in the Bay Area for 33 years and I'm a member of the Executive Board of the SF Taxi Workers Alliance. This is outrageous. There's been no public discussion about this until now. We just heard about this a few days ago. I don't know what the process was to come to this decision, but taxis use apps too, so why can't passengers call us to pick them up. These are two different services that provide the same service to the same customers under two different rules. That's a violation of the equal protection clauses in the U.S. and California Constitutions. This is before the California Supreme Court right now. They've been allowed to do this because these people have so much money behind them they're able to change the rules everywhere.

These drivers don't have to have any special permits like taxicabs. If we do something wrong at the Airport, we can get our taxi permit revoked. How are you going to control these guys. There have been new stories about them not following the rules and soliciting people and hiding their trade dress. These people are operating outside the law and it's become a characteristic of Uber to ignore the law. We've had lots of incidents where Uber drivers get upset and they're not trained in how to deal with passengers or customer service. They don't interact daily with anyone like a Dispatcher so they go berserk sometimes. You better hope that the driver doesn't go Uber on your passengers ... it's starting to be that way. The people who are breaking the law are getting rewarded and the people who are following the law, can't stay in business. San Francisco taxis are the cleanest fleet in the nation. There are no controls on these vehicles, no inspections of these vehicles, no background checks on the drivers, at least not to the extent that taxi drivers are background checked. We get fingerprinted and run through the Department of Justice records so if we have any criminal background, it will come out. And there is a long history of these drivers, limo drivers and other drivers soliciting at the Airport. They pull up and pretend like they're waiting for someone and then yell out the window offering transportation. How are you going to control this unlimited number of unmarked vehicles? They don't even look like a limousine or a cab. Please don't let this be permitted. Thank you.

Mr. Harbir Batth said this is very unfortunate. Our income has gone by 40-50% and I feel like a black person living in Hunter's Point or out of the City. I'm a cab driver. My son goes to college. Who's going to pay for it? Do you want my son to be another cab driver like me?

Mr. John Han said I am a San Francisco taxi driver. It might seem off topic but I assure you that it's very much on topic. The taxi industry is not afraid to compete with Uberx, Lyft, Sidecar or anything like that. I want to make this analogy ... we're no more afraid to compete than Evander Holyfield was afraid to get in the ring and fight Mike Tyson. But when Mike Tyson bit Evander Holyfield's ear, everyone in America knew that was so far off the rules that no one would say to Evander Holyfield well, all you have to do is step up your game and get more competitive if you want to win. That's what we're faced with here. I want to tell you that I'm so open minded about Uberx, Lyft, and Sidecar that I actually thought that Uberx might be a good opportunity. I signed up, went through their vehicle financing program, got approved for a car loan and I was going to buy a Prius and pay for it by doing Uberx. Now, I did not do that because when I contacted my insurance company, State Farm, with whom I've been for over 10 years, I was told they would not put a personal insurance policy on that car. When AB2293 passed, I called my insurance company again and said, under these new developments do you have an insurance package to go with TNCs, and they said no, we're still not going to do this. We have evidence of widespread practice of TNC drivers keeping the work they do a secret from their insurance companies. This is a business model used by Lyft and Uberx. They all depend on this to have a low barrier of entry. If you give them a permit to serve the Airport and their Airport business starts to take off and it starts pinching in even more on the taxi industry to the point where I have to consider driving for Uberx or Lyft, now I'm in a position where I have to buy a car and keep my business activity a secret from my insurance company. This amounts insurance fraud and now I'm in a position to where I have to consider committing insurance fraud in order to stay in business. This is unfair. We've gone to the public meetings, we've tried to do everything within the proper channels of talking to regulators, but at this point we have to seek the counsel of experts to determine whether or not this is, by legal definition, an unfair business practice. I hope you will hold off at least on the TNC permitting for SFO until we get some of this insurance stuff straightened out. Thank you.

Mr. Tokunbo Solarin said I'm a cab driver and I'm part of San Francisco Taxi Workers Alliance. Most of my colleagues have already stated all of our disagreements with the permits that's going to go to the shared rides. The laws that the Airport has to regulate ground transportation, it's fraud. The law that governs taxi drivers at the Airport says you stay on line, we have rules and regulations, we have to get permits, a sticker every year. Our cars are inspected and our insurance is checked. There's a big worm that you open giving this permit to Uber, Sidecar, and Lyft. The rules and laws already have loopholes. There's an app for cab companies in San Jose use to pick up at the airport. They don't pay the fee that we pay, they don't stay on the line. When you use the app to find ground transportation, it gives you all the information, all the telephone numbers of cab companies in San Jose. You can call the number, tell them where you want to go and they'll quote you a price and send you a cab. It's not the cab from San Francisco, the only cab that's permitted to pick up at the Airport. These cabs will come down and pick up without paying any fee, without going through all the inspection that we go through, they don't have the permits. So, this a big loophole that you're opening now. These are all regulations against San Francisco taxis because we don't use the app to pick up at the Airport.

Mr. Tone Lee said I'm a cab driver. We have a world class Airport. Mr. John Martin is one of the best Airport CEOs in America. You look at Asiana Airlines last year, he took care of it quickly ... he resumed service in two hours and in one week everything was cleaned up. Fire can cook the food, fire can also burn your house. We are Asian, we are very low income. We supply you 24/7 taxi service ... more than you need. I wait five hours every morning to get my first fare in the Airport. It's not overflow. This technology, organizing on line and regulated to make the TNC companies rich, not the TNC driver and not the cab driver. This is cheap labor coming in against another low income taxi driver group. This is the conflict. Look at Hong Kong, they are staying on the street. This is our main interest ... 3,000 families and cab drivers are ready to go to jail. If you approve, please inform San Mateo County jail facility because we cannot afford to pay the rent. We are going to live there and stay there because we have no more job. Please don't be like Mr. Ed Lee. He was raised by a very poor family, low income parents, raised him to be a lawyer, become Mayor of San Francisco, but he broke his promise. No run for office, finally he run for office. Don't do that. Cab driver be a part of your business, a part of partnership for many, many years. We are sitting at the Airport for long hours, for low income, very low income, especially right now very struggling. As the best CEO in the world, John Martin retire very soon. That's because I know him since I make a big strike in 2002 because we don't have the chance like this to talk about our situation. Cab drivers are very angry now, like a big balloon, very big, big balloon. They're going to explode anytime very soon. I don't want SFO becoming first thing to explode because of this cab driver thing. Thank you so much sir.

Mr. James Jones said I started driving a cab during the '80s. This year Uberx, or Uber offered me an opportunity to drive for them. I started driving and then I switched to Uberx and financed a car. I wanted to make a few statements. Uberx, Uber carries insurance on their cars and even though I have my own private insurance, if I was driving and had a wreck while I was working, it would be fraud for me to file on my insurance, but Uber has their own. I have two insurance so there's no fraud involved. Cab drivers wait at San Francisco Airport hours and hours for a customer instead of serving customers in the City. As a result, customers in the city have to call Uberx. Most Ubers are hybrids so the rational that they're dirty vehicles doesn't hold water. There's a question about Uber drivers maybe hitting someone on the head. I remember a cab driver murdered someone ... all cab drivers are not good boys. My suggestion would be that the City of San Francisco require chauffeurs in their city to have a card just like cab drivers have to have a card or some other permit.

Mr. Tarlochan Singh said I'm driving a cab in San Francisco for almost 12 years and this ... before was everything is okay and then after this happen, you give the permission to city driver Uber in the city so you have an upset about we cannot pick up the fare from the city after ride, no. This is a new law, you give the permission, Uber and the Sidecar in the Airport SFO, so it's double patience, big problem, big issue. Please, I try, I paid ... it's okay my last one ... and I didn't get because, I'm scared you know. If I get my dollar $250,000 and is really upset so you know I cannot make money, I lose money you know. Then is a problem, please solve the problem and stop that one, you know, because people buy the car, regular cars, they pay nothing you know, just drive and people is coming outside from SFO, from San Francisco and they drive very, very rude you know, they don't know the law, you know because, when I get the badge, a lot of difficult you know and we have to learn about the city, a lot of things you know, they give the badge, issue the badge. We are just like the police officer, if we have any problem, you know we will stop and then empty of anybody complain so, they ride with the car you know, what's going, what you did, why you're going wrong. You have to solve like that so we are very careful and we always have attention about that you know, MTA. Please stop that one because, you give the, you're selling the $250 cost medallion plus you give the permission at the private people's coming Saturday, Sunday and Friday they bring fun you know. Just don't make sense and in this, and in New York you stop by, I drive almost five years in New York so, just stop there's the law, Uber. Please stop here and that's why we come again. I appreciate, god bless.

Mr. Kamal Jit Singh said I am driving a cab in San Francisco for 21 years. Look at all this information I have. There are rules for cab drivers but not for TNC drivers. TNCs have no cost. We have a cost of $54,000 every year. I bought the medallion for $250,000. I paid $50,000 down and then I have still loan of $200,000. We already lost 60% of our business in the City so now you give permits to TNCs so lost the other 40%. Where can I make the payment? TNCs have no expense. I have $54,000 every year I have to pay. I have to pay $9,500 for insurance every year. The TNCs don't have no insurance. You apply all the rules for the taxi industry, why not the TNCs? Thank you.

Mr. Ashwani Aeri said I'm a taxi driver for 26 years and also a member of San

Francisco Taxi Workers Alliance. It's totally unfair to the cab drivers what you guys are doing. You made this deal behind closed doors without letting us know. How about some public hearings? The public has the right to know what you've been doing. TNCs follow no regulations; taxis are forced to follow all these regulations which cost $30,000-$40,000 a year. How are we going to compete with somebody who has no regulations? And there's unlimited amounts of these TNCs. There are 10,000-12,000 of these running around in the City and there's only 2,000 cabs. There's no fair practice. Why don't you limit them? We already lost a lot of business in the City to TNCs. The Airport was the only place left where these poor taxi drivers have been surviving because they can't find fares in the City. It takes two hours to pick up a fare there. Now that you have TNCs it's going to take four hours, five hours, it's going to destroy the taxi industry. It's going to bankrupt the City. The banks that gave loans to medallion holders are going to go bankrupt. The City will get sued, it's going to starve our families. Please don't do this. Thank you.

Ms. Anne McVeigh said Sidecar was an experiment and then all of a sudden they're coming in. It's going to be the death knell for a lot of small cab companies and a lot of people who devoted their lives to a profession, even though it needed a lot of improvement, and that's why people were happy to go to alternatives. People who serve the City and put their whole life into a profession should not be treated the way they're being treated right now. Uber's marketing and Lyft saying that they have adequate insurance, that they control their drivers, and they have security is basically a lie. Every cab has get its mechanics checked and check that the person who is supposed to be driving it, is driving it. We don't have that with the TNCs. They can put their cousin there. I think it's a real security risk for the Airport. I also think the Airport is opening itself up to deep pocket because it will be the deep pocket in a suit if anything bad happens. There are a couple of serious sexual assaults against women by Lyft and Sidecar. There's a gal name Rachel who's following up and one of the girls it happened to is very angry because they were only suspended for a week. You have an opportunity to stop this tide. We aren't protecting the people who are working. They're throwing money at politicians, they're going against governments. In Germany you have an opportunity to say no, this is not going to happen in our town because the unions were strong and because the community paid attention. The rich are too busy, the poor are too harassed. We need to keep a variety of working people in the City. Thank you.

Mr. Tony Fletcher asked if this is a three-month pilot program just for Sidecar or is it open to all companies?

Commissioner Mazzola replied it's open to whoever is in the business.

Mr. Fletcher ... but is it a three month pilot program?

Commissioner Mazzola replied a pilot program.

Mr. Fletcher said it's my understanding that the law requiring these companies to carry commercial insurance doesn't go into effect until July 2015. Allowing these guys to operate in the Airport at this point in time exposes the Airport to major risks in terms of a suit if something should go wrong. Uber is going to deny responsibility or one of these cars will deny responsibility because the guy wasn't technically correct. I would say be very careful in how you approach this situation from an insurance standpoint. The other thing that has been brought up is apps. Again, there's a ruling that cabs can't use their apps at the Airport but these guys are being allowed to use their apps. That seems to me to be an unfair application. The other thing we would like to talk about in a broader sense is deregulation. There's a trend in this country, and it's specifically in this industry, toward total deregulation. Basically these app services are providing cab services in the city. You make arrangements by an app, but basically when people get into the back of the car it's a cab service. The cab industry is no model of workers' rights but in the cab industry, under California law, you have to carry workers compensation for a driver. There's no such thing with these new startup companies. They can terminate a worker just like that if they don't like his looks. Guys who post critical comments on Facebook about Uber get terminated. The point is that the trend toward deregulation is basically an attack on organized labor. That's where this is going. Thank you.

Mr. Namdev Sharma said I'm in this business for 20 years. I think it's not fair to allow them to pick up fares from the Airport because these people are outsiders. I don't think we need technology to work at the Airport and they do not have experienced drivers. We've waited at the Airport sometime more than two hours, we have to circle around to get into the Airport parking lot, 15-20 minutes sometimes. We need a bigger parking lot for taxi cabs, but you couldn't get more taxi cabs. We sit at each terminal for 25-30 minutes because the taxi stands are full. They put 20 cabs at each taxi stand, so we wait longer. And Sidecar, Lyft, Uber, they steal fares, they know it. And it's double standard. The Airport Commission says we cannot stop them, we cannot take them. How come they allow them to work at the Airport, making them legalized. It's double standard, it shouldn't be. I think it's discrimination. The City, they don't care about us. They think we're slaves, we are foreigners that work as slaves. This is not right. If Sidecar goes, then Lyft and Uber behind them. Someone is assisting them. They have somebody important, maybe the White House, maybe the State, lots of money from them. There's a lot of corruption. It's all money involved in this thing. Please stop this corruption and let us work. We are surviving, we are families, we have children. Our children need to go to college. If we don't make money, our kids aren't going to go to college, they will be taxi drivers. I know a lot of kids go to City College, they don't find jobs. They're Uber drivers. Please take care of us and stop Sidecar ... we don't want any Sidecars to work at the Airport. Thanks.

Commissioner Mazzola said I have no more speakers here. No one else has filled anything out. I'm going to take you two and after that we're not going to take any more speakers. We're not going to keep adding and adding. If you want to speak, sign up. If you don't want to speak, then don't sign up.

Starchild said I'm the Outreach Director of the Libertarian Party of San Francisco and I actually came to speak about civil liberties. Is this item strictly on the car share issue?

Commissioner Mazzola replied it's strictly on the rules that we are trying to adopt.

Starchild said since I'm here I would like to speak on this issue, having heard the testimony and thought about this issue. I sympathize with the cab drivers. I think there is a double standard, however, the basic problem is not that the Uber and Lyft drivers, etc. don't have to pay these fees and the same inspections, the problem is that the cab drivers do. The cab drivers are being ripped off by the system for years. I don't drive a cab, or a Lyft car or anything. I have no personal stake in this game. I am a passenger of cabs sometimes. I've never used a TNC because I don't have a smart phone, but I would feel totally safe and comfortable using one. There's no reason anybody needs to have their car inspected just to drop somebody at the Airport. Common sense here ... we don't need all these inspections and fees, and I'm sorry that cab drivers have to get a loan to pay for the $250,000 medallions. That's a crazy system to begin with and we're just talking about giving people rides. There should be no reason for anybody to have to pay for a medallion or pay for extra insurance when they already have insurance just because they're driving somebody. People give their friends rides in their cars all the time and they don't have to get special insurance for that. All this stuff is just extra weight and burden of government and the reason behind this whole conflict is because the government has established this kind of cartel system and it's totally unnecessary. Instead of adding new regulations for this new class of driver, get rid of some of the burdens on the drivers that have been working for years as cab drivers and don't make them continue to live with these burdens. It's unfortunate ... you can't really address that wrong now since it already happened, but we can stop more wrong going forward. Thank you.

Mr. David Smith said I think it's obvious the decision is done. Why lie about it? I can tell you you're going to see a lot of traffic ... go to Polk and Sutter on any Friday or Saturday night. Wait until you see the traffic with all of this. You're opening the doors to guys hanging out in front of the terminals soliciting. Hope something is done about this. And just to let you know, life is not pretty over there either for the TNCs. These guys are working long hours, starting 10:00, 12:00 in the morning, working all the way until Midnight, 1:00 AM. A lot of the guys don't have workman's comp. They may have one or two drivers on workman's comp, but not the entire crew. You going to have a lot of that out there ... people getting hurt on the job. Would you let me open up a gypsy car service with my cell phone operating your Airport? Scold me and then tell me okay, just get a TCP and we'll let you in? I don't know. Thank you.

Commissioner Mazzola said Thank you for your comments. Mary I had you down for public comment, did you want to speak under, under item 2 or public comment at the end of the agenda.

Ms. Mary McGuire said when I first heard about this yesterday I thought you were kidding, but I guess you're not. Two words ... trial period and honor system for payment. Trial period, isn't that kind of an end run around to the public process? Who made this decision? That's really upsetting. I want to go back to the 2002 strike. I believe you were there, Commissioner Mazzola. I was on the Taxi Commission at the time. We met with John Martin and were told that the fees were raised and the drivers didn't want to pay more. I remember being told by John Martin that the reason for the fees is to pay for the infrastructure because we're using the cement and there's staff. So, are these people going to pay or are we going to subsidize them? Are they going to end up in our parking lot in the end? This is the same service but different standards. You're a labor guy, right Commissioner Mazzola? This is the biggest attack on labor that anybody has ever seen and everyone has read about this. Last week I hired a plumber. I am proud to hire a plumber. I want to hire a real plumber. I don't want to hire someone from Task Rabbit to come and do work at my house. Suppose the City started hiring people from Task Rabbit. It doesn't end here. When people say I support Uber, or I like it because it's good for the consumer, it's not going to stop there. It's not going to stop with us. It's going to go into every area so everything gets deregulated. This is the way it happens. Do we want to live in a world like that? Look at these companies, they don't even pay their taxes here. They're all registered in Wilmington, Delaware and overseas. Have you ever been on a boat trip? Every boat is registered in Wilmington, Delaware because they don't want to pay taxes ... it's tax evasion. Once again, will they wait in line, are they going to circle around? We're green cars. Who's driving these vehicles? We don't even know how many there are.

Commissioner Mazzola said there are no other requests to speak so the Public Hearing is now closed and it's back to the Commission.

Commissioner Crayton said on behalf of Commission President, Larry Mazzola, I will just say that we thank all of you for your comments today, your concerns that were raised. Know that they've had many meetings, however, one of the things I wanted to point out from the Commission is compliance. We are acting upon compliance with the CPUC decisions and regulations ... The California Public Utilities Commission. The TNCs must be permitted by CPUC and must comply with all provisions of the decision adopting rules and regulations to protect public safety while allowing entrance to the transportation field, and that was issued by the CPUC on September 23, 2013. I'm not sure if you all are aware of that. Were you aware of that? Have you all attended the CPUC meetings? Thank you, okay. So, having established that and knowing that we're not the agency that originally adopts the permit, we are bound by their regulations to allow them entrance to the Airport. Therefore, if we did not do that, we'll be taking the right of way that you guys would have taken away if a hundred of you didn't get up and speak today, okay. Those are rights that you have. We must also protect the rights of Uber as well as taxi cabs, however, this is the new system and we're understand that. There's lots of things that need to be done and molded in order for everybody to work together in a uniform standard, so this process is not over. Believe me, Director Martin and the Commission President and the members of the Commission have heard your concerns ... heartfelt concerns ... and are very sorrowful about some of the items that came up, however, this needs to be taken into consideration. More work needs to be done, but know that we are bound by the CPUC to have these cars on the Airport's property.

Commissioner Mazzola asked Mr. Martin, John did you want to say something?

Mr. John Martin, Airport Director said I would just add that fundamentally the basic role of the Airport and basic role of my job as Airport Director is to make sure our level of playing field is held. We will be charging a fee, it's a $4 fee for both pick up and drop off for TNCs. They will be operating from holding lots so we're making sure they are not circling the roadways. We have lobbied the PUC. We think the PUC should adopt stricter standards for background checks on drivers. Vehicles should be inspected more thoroughly, the same way San Francisco Airport inspects vehicles. We also supported State Legislation to do that this summer but we were unsuccessful with that legislation. I expect we'll continue to try and see that the same high standards we have for vehicle inspections and background checks for drivers ultimately becomes a standard of the CPUC, and that way the level playing field is maintained there, too.

Commissioner Mazzola said from my point of view, I think we heard you loud and clear. And I think we've been hearing you loud and clear. This has been going on a while. I actually commend John Martin and his staff for finally getting somebody signed to something. They were operating here anyway without anything signed. This is a step, in my opinion, in the right direction. It's a trial program. I think we can work on getting it more level for everybody else. Our goal is to get it level, as you heard the Director say. I think we're going the right way. It's a hard process and it's going to have a lot of growing pains. We appreciate your comments and in that way you can help steer us in the right direction so we can get something done and everyone is happy. It's going to take a long time to get it to where we all are going to like it.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner and seconded by Commissioner . The vote to approve was unanimous.

3. Lease Agreement with Menzies Aviation (USA), Inc. for Space in West Field Cargo Building 632 and Related Areas on Plot 9

No. 14-0207	Resolution approving a lease agreement with Menzies Aviation (USA), Inc. for approximately 36,012 square feet of office and warehouse space in West Field Cargo Building 632 and related areas on Plot 9, for a term of three years, with three one-year options to extend the term exercisable by Menzies, and an initial annual guarantee of $828,276.

Mr. Leo Fermin said you should have before you a flyer illustrating the new West Field Cargo Building. Construction of our this building started in June 2013 and was completed last month. This new cargo building is located off West Field Road, just across the street from the postal service building and this cargo building achieved LEED gold and includes features such as dynamic glass which is an energy saving smart window system that can control light and heat while maintaining view and reducing glare. There are electric vehicle charging stations.

Starchild asked if there will be another opportunity for public comment and can you estimate what time that will be.

Commissioner Mazzola said Public Comment is at the end of the agenda. It will be about 10 minutes.

Starchild asked you're required to fill one of these out because it says on the form that you don't have to.

Ms. Caramatti responded that we do ask that you fill out the form, however, it is not mandatory.

Mr. Fermin continued and said that this building was also designed to maximize flexibility, capacity, and efficiency. There is 58,000 sq. ft. of column-free, 26 ft. clear height warehouse space plus 11,000 sq. ft. of administrative, sales, marketing, and customer service space. The building is designed for multiple tenant use and the warehouse space can be adjusted inside to the amount needed by an individual tenant. The total final cost to build this was $30.75 million, which was within the Capital Plan budget of $30.9 million. This lease before you is for our very first tenant in the building. Menzies will lease 30,599 sq. ft. of warehouse space, or about 53% of the warehouse space, and 5,400 sq. ft. of office space, or about 49% of the support space. We are currently in discussions with a second potential tenant for some portion of the remaining space. If they do lease 15,900 sq. ft. of warehouse and 3,100 sq. ft. of office space, that will leave us about 11,000 sq. ft. of warehouse space and 2,400 sq. ft. of office space remaining vacant in the building and this vacancy will give us some flexibility in moving tenants around because of the Five Year Capital Plan Program. With you approval of this lease, we'll next go to the Board of Supervisors for their approval. I'll be happy to answer any questions.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 4 through 13, was moved by Commissioner and seconded by Commissioner . The vote to approve was unanimous.

4. Modification No. 4 to Professional Services Agreement for Contract 9048.9, Construction Management Services for Terminal 3 Improvements Project - CPM/ECS, T3 East Joint Venture - $2,110,000

No. 14-0208	Resolution approving Modification No. 4 to Professional Services Agreement, Contract No. 9048.9, Construction Management Services for Terminal 3 Improvement Project, with CPM/ECS, T3 East, a Joint Venture, to increase the not to exceed amount by $2,110,000 for a new contract amount not to exceed $9,994,000, and extend the contract duration to November 11, 2015.

5. Award Contract 10512.66 - Design-Build Services for Lot D Improvements and Parking Access Revenue Collection System Automation - Galliera, Inc., dba Trico Construction - $1,897,092

No. 14-0209

Resolution awarding Contract No. 10512.66, Design-Build Services for Lot D Improvements and PARCS Automation to Galliera, Inc., dba Trico Construction, in the amount of $1,897,092.

6. Authorization to Issue a Request for Qualifications/Proposals for Contract No. 10050.71 - Fire House No. 3 and South Field Checkpoint Relocation Construction Manager/General Contractor Services

No. 14-0210

Resolution authorizing the Director to issue a Request for Qualifications/ Proposals for Contract No. 10050.71, Fire House No. 3 and South Field Checkpoint Relocation Construction Manager/ General Contractor Services.

7. Modification No. 2 to Professional Services Agreement, Contract 9348 for Environmental Planning Services - LSA Associates, Inc. - $840,000

No. 14-0211

Resolution approving Modification No. 2 to the Professional Services Agreement with LSA Associates, Inc. to add as-needed environmental planning scope of services and increase compensation in an amount not to exceed $840,000, for a new total contract amount not to exceed $2,056,800.

8. Authorization to Issue Request for Qualifications/Proposals for Contract 9273.41, Project Management Support Services (PMSS) for the Long Term Parking Garage No. 2 Project

No. 14-0212

Resolution authorizing the Director to issue a Request for Qualifications/ Proposals for Contract No. 9273.41, Project Management Support Services (PMSS) for the Long Term Parking Garage No. 2 Project.

9. Authorization to Issue Request for Qualifications/Proposals for Contract 10012.66, Terminal 1 Baggage Handling System (BHS) Design-Build Services

No. 14-0213

Resolution authorizing the Director to issue a Request for Qualifications/Proposals for Contract No. 10012.66, Terminal 1 Baggage Handling System Design-Build Services.

10. Bid Call - Contract No. 8587B - Storm Drain Pump Stations SDPS-1B and SDPS-

1C Improvements

No. 14-0214	Resolution approving the scope, budget, and schedule for Contract No. 8587B, Storm Drain Pump Stations SDPS-1B and SDPS-1C Improvements, and authorizing the Director to call for bids.

11. Reject All Submitted Proposals for Developing a Zero Waste Solid Waste Management Plan - Contract No. 50000

No. 14-0215	Resolution rejecting all submitted proposals for developing a Zero Waste Solid Waste Management Plan for the Airport under Contract No. 50000.

Commissioner Johns asked what we are doing wrong that we're not getting the proposals we need?

Ms. Julian Potter, Chief Administration & Policy Officer said we went out for zero waste because the City has mandated that all City departments must be at zero waste by 2020. We received three proposals and only one was even qualified to look at but it just didn't have the depth we needed. To get to zero waste we want to look at the waste stream, we may want to perhaps consider doing some sort of sorting and recycling on-site. LAX and Atlanta do it, so we realized we need to think about this to meet the 2020 deadline. We realized that the scope we proposed was not sufficient. We'll return with a broader scope to seek the type of input we need.

Commissioner Johns asked Ms. Potter if she felt there were companies out there who are able to respond to our specifications.

Ms. Potter said the companies were pretty non-responsive. They weren't giving us any ideas to get us beyond the 80% were currently at. We're doing very well but that last 20% is going to be difficult. Perhaps we didn't ask the right questions. We may need to look at the life cycle of the waste stream. Can we sort it ourselves? Do we need to have outside firms?

Commissioner Crayton said I was on a committee that talked about these issues and I'll be happy to send you some information.

Ms. Potter said I would sincerely appreciate that Commissioner. Thank you.

12. Approve Assignment of the Technology Products Stores Lease No. 07-0108 and International Terminal G Electronics Kiosk Lease No. 13-0048 from ILJ San Francisco, LLC to InMotion Entertainment Group, LLC

No. 14-0216 No. 14-0217	Resolutions approving lease assignments of the Technology Products Stores Lease 07-0108 and International Terminal G Electronics Kiosk Lease 13-

0048 from ILJ San Francisco, LLC to InMotion Entertainment Group, LLC.

13. Ratification of the Settlement of Unlitigated Claims of $10,000 or Less and Litigated Claims of $25,000 or Less During Fiscal Year 2013-2014

No. 14-0218	Resolution ratifying the settlement of unlitigated claims of $37,153.75 and litigated claims of $12,759.80 for FY 2013-2014. Total Claims: $49,913.55.

* * *

I. NEW BUSINESS:

Discussion only. This is the “Public Comment” section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a “Request to Speak” form located on the table next to the speaker’s microphone and submit it to the Commission Secretary.

Mr. Mark Gruberg, San Francisco Taxi Workers Alliance, said I just need to follow up for point of clarification on a comment that was made by a Commissioner after the Public Comment. I understand that these issues are somewhat complex and perhaps not that easily understandable in the levels of regulation that go on, but I just want to read from the CPUC’s decision and its rules ... and this is operations at airports. “TNCs shall not conduct any operations on the property of, or into any airport unless such operations are authorized by the Airport authority involved.” In other words, you have complete discretion over this. There is no mandate for you to let them operate here. I need to make that clear because this is something that’s going to come up going forward. By the way, they said yesterday, after Uber and Lyft were approved, it was reported in the press that they are already saying they’re going to defy State law and your rules by doing carpooling, which is illegal, and the CPUC says it’s illegal. It’s right there in the news article, they’re quoted as saying they’re going to do it here at the Airport. So, obviously they are not afraid of you because you haven’t enforced the law for two years and this is what you’ve bought it to. Thank you.

Starchild said I was looking at the agenda here, which I get in the mail from you guy, and it mentions under the proposed amendments, two sections of possible concern ... Airport security and free speech and expressive activities, but unfortunately there’s no information here about what’s being proposed so I’m speaking in the dark about that. I don’t know if you can clarify at all. Is this relaxing the rules or making them even tighter than they are now for Airport security and the free speech? Do you know the nature of the proposals on these items?

Ms. Bregman said the change to Rule 13 which is the free speech and expressive activities section was to prohibit commercial activities being framed as free speech activities, so, if somebody is trying to sell something at the Airport it cannot be through a free speech and expressive activities permit.

Starchild asked on the Airport security item, do you know about that one? Section 7?

Mr. Martin said we can get you a copy of the Rules and Regs and you can read it. You're welcome to come back at the next meeting.

Commissioner Crayton said Section 7 deals with liability insurance and it says that all taxi cabs must have automobile liability insurance coverage in a limited amount especially for the taxi cabs, etc. etc.

Starchild said, relating to the whole issue that was discussed, my concern, and I think the concern of a lot of people, is that the Airport feels like it's a factious environment. I don't use that word lightly. It feels like one of the most rule-oriented, restrictive, kind of scary places since society outside of a jail or something that you might go and visit. I feel that way every time I go to the Airport. It actually discourages me and a lot of libertarians I know from even flying at all. I realize that you guys don't have control or jurisdiction over the TSA and that the TSA is not actually operating San Francisco. They have another independent contract performing some functions, but I don't think that most San Franciscans want this level of control and intrusion in their lives. It's been called security theater. It's not really making people safer, it's just infringing on our civil liberties and setting dangerous precedent. I think there are some things you can do and one of them would be to expand free speech areas. Currently, people are stuck in little zones where they don't really have the freedom to interact with most people at the Airport. To encourage free speech, make it feel like more of a welcoming place for people to speak out and be themselves without having to worry about some security guard looking over their shoulder and hauling them off to some private room for screening or questioning or whatever. It's a very troubling trend that's happened in this country since 9/11 and the terrorists win if we allow them to take away our civil liberties and freedoms. I hope you guys will think about that and propose some rules that would bring back some liberties. Thank you.

Ms. Anne McVeigh said integrating the concepts of technology in aviation into the work place is a difficult task. I would like to say to Commissioner Crayton that probably because of equal protection you felt that you had to allow the TNCs in and I would like to say that there is an ongoing lawsuit and I think you could of waited until that lawsuit was settled before you made a decision. I would also like to suggest that the CPUC was not the proper venue to make the decision on whether taxi network companies should be allowed. The head of the CPUC at the time allowed and created this situation which is a deregulation mess. Sen. Jerry Hill called for his resignation because of inappropriate behavior regarding the PG&E fiasco in San Bruno where 14 to 20 houses exploded and miraculously only 8 people lost their lives. I really believe there will be a lawsuit regarding this huge amount of deregulated, unregulated, and dangerous for the public ride sharing ... it's really "ride scheming" by the big computer companies. The whole existence of them should be questioned and the decision by the CPUC should be questioned and you, as Mr. Gruberg said, are really not bound by that decision. You could have rejected them. I don't think you are forced to accept them right now until the suit's over and, according to the CPUC rules. And I think the CPUC will be challenged as not the proper authority to be regulating this new transportation service. Thank you.

Mr. Tone Lee said I don't think you're going to forget this meeting another 10 years or your lifetime. I think that you're going to get ready to be interviewed by CNN or anything like that, how you look like this driver going to make action. I came here, I trying to tell you that this, all this TNC are like online Mafia that organizing all this gypsy car in order to make their own money. When the taxi knocks your door. Anyhow, we're human being, someday you're going to die. When you die, you are regret, you're not on the low income side that doing the right thing, the right people. You are by the face of this technology, CO that's men that knock your door. You are going to prove it, you're excusing use of CPUC. They are still pending, no finished yet. It's not a good time to touch just bring it to your Airport because of like Ebola, you know that Ebola? One you're not contained and that now I will get it. The same as cab driver. Yes Asian, most of minority, they are not well organized, but some of the thing that happen and this is going to take away their lifetime, lifetime job and business. It's not only one day or one time. We can afford to one day, one time, one month but this is the way that you take away all this driver life and their family. So you are not going to forget this meeting. I see as 25 years of cab driver, I see this problem. We'll see how much driver they're going to take action, they're going to get crazy like Hong Kong people. They're sleeping on the street for only working for this unnecessary vote for who's the Governor. They can't fight with the government, yes we can fight with the government but they are, keep going on and on doing to you. You cannot go and get a good sleep very soon.

Commissioner Mazzola asked if there were any other speakers. We stand adjourned.

* * *

J. CORRESPONDENCE:
There was no discussion by the Commission.

* * *

K. CLOSED SESSION:
There are no planned agenda items for a Closed Session for the current meeting. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).
If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

L. ADJOURNMENT:
There being no further calendared business before the Commission the meeting adjourned at 10:33 AM.

Jean Caramatti
Jean Caramatti
Commission Secretary

SAN FRANCISCO
AIRPORT COMMISSION

MINUTES

November 4, 2014

9:00 A.M.

114

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

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November 4, 2014

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H. CORRESPONDENCE: 10

I. CLOSED SESSION: 10

J. ADJOURNMENT: 10

AIRPORT COMMISSION MEETING MINUTES

November 4, 2014

A. CALL TO ORDER:
The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns Hon. Peter A. Stern
Absent:	Hon. Richard J. Guggenhime

* * *

C. ADOPTION OF MINUTES:
The minutes of the regular meeting of October 21, 2014 were adopted unanimously.

No. 14-0219

* * *

D. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

E. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Stern. The vote to approve was unanimous.

1. Award Contract 9198 - Safety Management System (SMS) Consulting Services - Futron Aviation - $480,960

No. 14-0220	Resolution awarding Contract No. 9198 Safety Management System Consulting Services to Futron Aviation in an amount not to exceed $480,960 for a period of three years with two one- year options.

Ms. Eva Cheong, Operations and Security said the Airport is seeking award of Contract No. 9198 to Futron Aviation to provide consulting services for the development of an FAA mandated Safety Management System. The services provided under this contract will include assessments of our current processes, a gap analysis, review of best practices at other airports, and the creation of a manual to provide the mandated safety management system. The Airport received four proposals for these consulting services and all four proposals were reviewed by a selection committee that consisted of two Airport Commission members and two members from other U.S. airports. Futron Aviation was the highest ranked proposer and has met all requirements of the RFP. As safety and security remain our highest priority, Futron Aviation will assist in establishing a comprehensive safety management system, compliant with all Federal mandates. Therefore, I ask that this Commission award Contract No. 9198 to Futron Aviation in amount not to exceed $480,960 for a term of three years with two one-year options exercisable at the sole discretion of this Commission.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Award Contract 50001 - Safety and Health Assessment - Safety Compliance Management, Inc. - $240,000

No. 14-0221	Resolution awarding Contract No. 50001 Safety and Health Assessment to Safety Compliance Management, Inc. in an amount not to exceed $240,000 for a period of two years with three one-year options.

Ms. Julian Potter, Chief Administration & Policy Officer said that this item awards a professional services agreement to Safety Compliance Management to perform a safety and health assessment of Airport Commission employees in the work environment. This is different than what Eva just presented. This would be a portion of the Safety Management System (SMS). The SMS is actually something that the FAA is asking all airports to look at for all operations airport wide. The focus is on Airport Commission safety and health. We will evaluate that and compare it to national industry standards. CalOSHA will gauge the strength of the safety culture at SFO, doing employee interviews, surveys and assessments. Then we will review the site conditions and risks to identify any gaps between employee working conditions and any safety management systems, and then we will have a detailed report with best practices and benchmarks, including an implementation plan. This will be one of the tasks that feeds into the wider safety management system. We successfully negotiated the scope, billing rates, and fees with Safety Compliance Management and I recommend that the Commission approve award of this contract to safety Compliance Management.

Commissioner Johns asked if this is something that might help with the issue that was before us at the previous two meetings regarding uniforms and reflective tape.

Ms. Potter said I believe the SMS will cover that if it's with our employees. Yes, it will help. Absolutely.

Commissioner Crayton disagreed. I think the issue of the actual uniforms, etc. are a different category than what is in this particular scope. What about other airports? Does the City and County of San Francisco use such a vendor?

Ms. Potter said this particular vendor has been used by the PUC so it's familiar to the City and County, and we're going to use them.

Mr. John Martin, Airport Director said that the contract award in Item No. 2 will deal with reflective material and clothing. Not the one described by Julian.

Commissioner Crayton ... got it.

Ms. Potter said and the one that Eva described asks for an employee assessment to be part of it, so this feeds into Eva's. That's why they're concurrent.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

3. Commencement of Request for Bids Process for Banking Center and Automated Teller Machines Lease

No. 14-0222	Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to issue a request for bids and conduct an informational conference for the Banking Center and Automated Teller Machines Lease.

Ms. Cheryl Nashir, Director, Revenue Development and Management, said I'm here this morning seeking authorization to commence a competitive solicitation process for the Banking Center and Automated Teller Machines Lease. This lease combines services which were previously delivered under two separate leases. The expired Domestic Terminal Banking Service Lease, which included a banking center and six ATMs in the domestic terminals and in the Long Term Parking Garage, and the current International Terminal ATM Lease which includes five ATMs in the International Terminal. The term of this new lease will be for seven years with a minimum, acceptable offer of $273,000. Although online banking is more and more common, we continue to believe that there is a need for a banking center at the Airport. It's an amenity for our guests, convenience for our large employee population, and of particular importance is the service it delivers to our commercial tenants which is change making and deposits. You may recall that we bid the Banking Services Lease in 2013 and after a protracted negotiation with the sole bidder and incumbent, Bank of America, they declined to sign the lease. We've spoken to several banks and credit unions and a few have signaled interest. The feedback from them is that a banking center at an airport sometimes operates very close to break even. It's not a good profit center for them, and with this in mind, they're really careful about the rent that they sign up for, and they don't want to make large capital investments. We thought that by allowing them to offer some services on an appointment only basis, such as loans, it could help with their operating costs. The ATM fee for non-member use will not exceed $2.50 during the lease, and we've chosen a bid as opposed to a proposal process for this leasing effort.

Commissioner Johns asked if Terminal 2 is on a separate lease.

Ms. Nashir replied yes, we have two other ATM leases in place, Chase and Wells Fargo, and there's enough ATM coverage in Terminal 2 from those leases.

Ms. Nashir said that Wells Fargo has signaled that they may be interested.

Commissioner Crayton ... I'm not real clear what you're talking about. It seems like a banking entity would be a much more viable resource rather than what you're proposing right now. Why did we choose that route?

Ms. Nashir said I think we chose this route because it's a more typical way of doing business. Rather than extending the lease and not going through a solicitation process and giving an existing tenant space that they didn't win competitively, we tried to that. We hope by joining these two leases we've created a business opportunity that's attractive.

Commissioner Stern asked if these banking centers provide foreign currency exchange services as well.

Ms. Nashir replied they will not. The Travelex lease we just offered is exclusive, but that is something we may not do next time.

Commissioner Crayton asked why they don't offer foreign currency exchange.

Ms. Nashir said we have spoken with banks as part of our outreach to find out how we can make it viable and attractive for them. We asked them if they would like to provide foreign currency at some point in the future and their answer to date has been that it's complicated and it doesn't make money for them. It's the feedback we're getting right now from the banks. It's not their core business.

Commissioner Guggenhime ... if the banks wanted to, they wouldn't because foreign currency is an exclusive lease.

Ms. Nashir said that's correct. We just approved the Travelex lease and they'll have facilities all over the Airport. It's an exclusive lease. The banking center will not be trading foreign currency.

Commissioner Mazzola ... a bank could pick it up?

Commissioner Johns asked what's the length of the lease?

Mr. Martin ... the banks have said they're not interested because it's not profitable.

Commissioner Crayton ... it's complicated.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Stern. The vote to approve was unanimous.

4. Bid Call - Contract 10009.61- Security Access Office and Customs Badge Seal Office Relocation

No. 14-0223	Resolution approving the scope, budget, and schedule for Contract No. 10009.61, Security Access Office and Customs Badge Seal Office Relocation, and authorizing the Director to call for bids.

Mr. Geoff Neumayr, Deputy Director, Design and Construction said this item approves the scope, budget, and schedule and authorizes the Director to call for bids for the Security Access and Customs Badge Seal Office Relocation project. The relocation of the Security Access Office and the Customs Badge Seal Office is because that the, the existing locations of those facilities is within Terminal 1, and it is in the demolition zone of the Terminal 1 Center project. And so, they'll be relocated. The proposed scope will provide approximately 8,000 sq. ft. of new office space for the Security Access and Customs Badge Seal Office within vacated shell space that is located on the 5th floor of the International Terminal. The new office space will centralize all badging and access operations and it will be the first time we have that all together. The duration of this contract is 300 consecutive calendar days and the Engineer's estimate is $3.75 million. I would also like to add that the Architect for this project was our own staff. Staff will work with the City's Contract Monitoring division to develop LBE subcontracting goals.

Commissioner Johns asked what was originally in that space.

Mr. Neumayr said it's currently just a shell. I don't believe we've ever used it.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 5 through 11, was moved by Commissioner Mazzola and seconded by Commissioner Johns. The vote to approve was unanimous.

5. Authorization to Issue a Request for Qualifications to Establish a Pool of Firms to Provide Liquidity and Credit Facilities and to Support the Commission's Bonds and Commercial Paper Notes

No. 14-0224	Resolution authorizing issue a RFQ to establish a pool of firms to provide letters of credit and other types of liquidity and credit facilities for the Airport's bonds and commercial paper notes on an as-needed basis.

6. Authorization to Issue a Request for Qualifications to Establish a Pool of Investment Banks to Provide Bond Underwriting, Derivative Counterparty and Related Services

No. 14-0225	Resolution authorizing issuance of RFQ (No. 50025) to establish a pool of investment banking firms to provide bond underwriting, derivative counterparty, and related services on an as-needed basis in connection with the Airport's Capital Financing and

Debt Program.

7. Authorization to Issue a Request for Proposals for Financial Advisory Services

No. 14-0226	Resolution authorizing issuance of a Request for Proposals for Financial Advisory Services.

8. Authorization to Issue a Request for Qualifications/Proposals for Contract No. 8768.66, Airport Hotel Project Design-Build Services

No. 14-0227	Resolution authorizing the Director to issue a RFQ/P for Contract 8768.66, Airport Hotel Project Design-Build Services.

9. Authorization to Issue a Request for Qualifications/Proposals for Contract No. 10051.71, South Field Tenant Relocations Construction Manager/General Contractor Services

No. 14-0228	Resolution authorizing the Director to issue a RFQ/P for Contract No. 10051.71, South Field Tenant Relocations Construction Manager/General Contractor Services.

10. Authorization to Issue a Request for Qualifications/Proposals for Contract Nos. 10594.50 and 10594.51, As Needed Architectural and Engineering Support Services

No. 14-0229	Resolution authorizing the Director to issue a RFQ/P for Professional Services Contract Nos. 10594.50 and 10594.51, As-Needed Architectural and Engineering Support Services.

11. Amendment No. 1 to Ground Lease No. L12-0223 - Compressed Natural Gas Fueling Facility

No. 14-0230	Resolution approving Amendment No. 1 to Ground Lease No. L12-0223, between Clean Energy and the San Francisco International Airport to clarify the initial minimum ground rent and security deposit valuations.

* * *

G. NEW BUSINESS:
Discussion only. This is the “Public Comment” section of the calendar. Individuals may

address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a “Request to Speak” form located on the table next to the speaker’s microphone and submit it to the Commission Secretary.

There were no requests to speak from the public.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:17 AM.

(Original signed by: Jean Caramatti)
Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

November 18, 2014

9:00 A.M.

8/14

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

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President
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ELEANOR JOHNS
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Minutes of the Airport Commission Meeting of
November 18, 2014

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D.		ITEMS INITIATED BY COMMISSIONERS:		4
E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Award 5-Year Sole Source Professional Services Agreement - Maintenance of Parking Access and Revenue Control System - Scheidt & Bachmann	14-0232	4-5
	2.	Modification No. 1 to Contract 8671C - Runways 1-19 Runway Safety Area Improvements - Golden Gate Constructors, a Joint Venture	14-0233	5-6
	3.	Award Contract 10592.50 - As-Needed Construction Management Support Services - The Allen Group, LLC/AE3 Partners, Inc, A J.V.	14-0234	6-7
	4.	Modification No. 1 to Intn'l Terminal Equipment Maintenance & Operating Agreement No. 12-0064 - San Francisco Terminal Equipment Company, LLC		7
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
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10. Lease with Singapore Airlines Ltd. for Exclusive Use Space in Airport Building 710 14-0239 9

11. Modification No. 1 to Funding Agreement, Contract 8858 with the California State Parks Foundation to Address Manner in Which Certain Wetland Mitigation Credits are Provided and to Extend Termination Date of the Agreement to December 31, 2017 14-0240 9

G. NEW BUSINESS:
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H. CORRESPONDENCE: 10

I. CLOSED SESSION: 10-11

J. ADJOURNMENT: 11

AIRPORT COMMISSION MEETING MINUTES
November 18, 2014

A. CALL TO ORDER:
The regular meeting of the Airport Commission was called to order at 9:01 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern
Absent:	Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:
The minutes of the regular meeting of November 4, 2014 were adopted unanimously.

No. 14-0231

* * *

D. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

E. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

1. Award of a Five-Year Sole Source Professional Services Agreement to Scheidt & Bachmann USA, Inc. for Maintenance of the Airport's Parking Access and Revenue Control System in an Amount Not-to-Exceed $2,287,080

No. 14-0232 — Resolution awarding Contract No. 50022 for a sole source professional services agreement to Scheidt & Bachmann USA, Inc. to maintain the Airport's Parking Access and Revenue Control System in an amount not-to-exceed $2,287,080 for a five year term.

Mr. Kevin Van Hoy, Airport Parking Manager said that this item awards a five year sole source professional services agreement to Scheidt & Bachmann USA, Inc. to maintain the Airport's Parking Access and Revenue Control System in the amount not to exceed $2,287,080. Through a competitive process back in 2005, Scheidt

& Bachmann was awarded the original contract to procure, install, and maintain a parking access and revenue control system at the Airport. This system allows the Airport to control access and account for all revenues generated from parking. The current maintenance agreement expires at the end of this month. We have successfully negotiated a new five year agreement with Scheidt & Bachmmann to provide ongoing maintenance services which includes an upgrade to the current system and will provide data and assistance in evolving payment card, industry, and data security system set standards. We received approval from the Civil Service Commission yesterday for this item and we ask for your approval today.

Commissioner Johns asked if this helps us see how much money is coming in. I assume it's not like the taxi control system where we had our own software written for the program.

Mr. Van Hoy replied this is not part of the taxi software system. This is for Parking Access and Revenue Control. It provides for all of the gate arms, all of the equipment maintenance ... FastTrak transponders, etc.

Commissioner Johns asked if it tells you how many spaces are available and that sort of thing.

Mr. Van Hoy replied yes. And it accepts the automated payments for customers ... FastTrak. It's the operating system that's associated with it.

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. Modification No. 1 to Contract No. 8671C - Runways 1-19s Runway Safety Area Improvements - Golden Gate Constructors, a Joint Venture - $2,000,000

No. 14-0233	Resolution approving Modification No. 1 to Contract No. 8671C, Runways 1-19s Runway Safety Area Improvements with Golden Gate Constructors, a Joint Venture, to authorize an allowance of $2,000,000 for early completion incentive bonus and to retain contract completion date of Feb. 28, 2015.

Mr. Geoff Neumayr, Deputy Design & Construction said this item approves Modification No. 1 for Contract 8671C, Runways 1-19 Runway Safety Area Improvement in the amount of $2M for a new contract value of $89.4M. This modification is an allowance of $2M that provides for the incentive bonus for early completion and opening of the 1-19 runways. The incentive was contemplated when the Commission awarded the contract but was not included in the initial contract award amount. The incentive bonus provides a financial encouragement to the contractor to maximize the opportunity for early completion. It should be noted that the contractor most likely invested a good portion of the incentive to complete the actual work 30 days early. The runways were finished and were reopened on August 10, approximately 30 days early of the base contract requirements. The contractor completed all milestone requirements to maximize the $2M aggregate incentive bonus. Early completion mitigated the potential for flight delays and cancellations resulting in significant savings to airlines. Construction was substantially completed on October 29 and final completion is scheduled for February 28, 2015, as required by the contract.

Commissioner Guggenhime said what you're really saying is this was contemplated in December 2013 when the contract was awarded.

Mr. Neumayr replied correct.

Commissioner Guggenhime said it was factored in the bidding processes and everything else but for some reason the contract award didn't include the bonus.

Mr. Neumayr replied correct.

Commissioner Guggenhime ... we're not adding something, we're just correcting the omission.

Mr. Neumayr said it technically wasn't a mistake because they hadn't earned it yet. The allowance was set aside in the budget and the original contract said a $2 million bonus was available if they achieved the goal. Since it wasn't something that we could award at the time, we didn't include it in the award.

Item No. 3 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

3. Award of Contract No. 10592.50 - As-Needed Construction Management Support Services - The Allen Group, LLC/AE3 Partners, Inc, A J.V. - $4,000,000

No. 14-0234 Resolution awarding Contract 10592.50, As-Needed Construction Management Support Services to The Allen Group, LLC/AE3 Partners, Inc., A J.V. in an amount not to exceed $4,000,000 with a contract duration of five (5) years.

Mr. Neumayr said that this item awards As-Needed Construction Management Support Services in the amount of $4M to the Allen Group LLC and AE3 Partners, Inc, A J.V. The scope of work provides as needed construction management services for design and construction in support of the Airport's Five Year Capital Program. The scope of services will include as-needed estimating and scheduling services, inspection services, office engineering services, and general construction management services. The Airport issued two separate RFPs to the previously approved project management support services pool list but only one proposal was received. The Airport intended to issue two separate as needed contracts in the amount not to exceed $2M, however, only one proposal was received for each RFP and both of them were from the Allen Group/ AE3. The proposals were deemed to be responsive. Staff recommends a single contract be issued in the not to exceed amount of $4M. Staff will negotiate individual contract service orders, each with a fixed not to exceed amount appropriate for the scope.

The contract duration is five years. CMD approved a 20% LBE sub consultant participation goal and the consultant has committed to achieving this goal. We recommend your approval.

Commissioner Johns ... what kind of outreach was done if only one response was received?

Mr. Neumayr responded that there were 10 companies on the pool list and we have awarded seven of the 10. Only three proposers were left to receive work.

Commissioner Johns ... what your saying is the RFP was only open to people who were already approved on the pool list.

Mr. Neumayr ... and have not yet received work through a five year period of time. Once we get to the bottom of the list, we cycle back through and start over again.

Item No. 4 was removed from the calendar.

4. Modification No. 1 to International Terminal Equipment Maintenance and Operating Agreement No. 12-0064 - San Francisco Terminal Equipment Company, LLC - $3,500,000

Resolution approving Modification No. 1 to International Terminal Equipment Maintenance and Operating Agreement 12-0064 with San Francisco Terminal Equipment Company, LLC, to increase patron assistance and document verification services funding by $3,500,000, for a new total amount not to exceed $21,500,000 for the remainder of the agreement term which expires June 30, 2021.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 5, and 7 through 11, was moved by Commissioner Guggenhime and seconded by Commissioner Stern. Item No. 6 was put over. The vote to approve was unanimous.

5. Award Contract 10052.41, Project Management Support Services for the South Field Abatement, Demolition, & Hazmat Project - $583,355

No. 14-0235

Resolution awarding Contract No. 10052.41, Project Management Support Services for the South Field Abatement, Demolition, & Hazmat Project, to J + A Aviation, in an amount not to exceed $583,355 with a contract duration of 36 months.

Item No. 6 was put over.

6. Authorization to Accept Proposals for the Terminal 3 Specialty Retail Store Leases A and B

Resolution approving revised lease specifications, minimum qualifications and proposal requirements, and authorize staff to accept proposals for the Terminal 3 Specialty Retail Store Leases A and B.

Mr. Ralph Glenn, RDG Concessions, said I've been a small business owner in San Francisco since '98, and I've been at the Airport since '87 ... my whole adult life. A suggestion was made to put the F bid out as two separate entities. I'd like it to remain one entity because it will allow me to recoop some of the sales loss I've experienced over the last seven years. Your commodity is very narrow in a specialty store. All I sold was travel. I held to my specialty store regardless of the competition around me, yet we've allowed others to come into the same building with travel as part of the their commodity. This put me at a disadvantage with seven other stores around me selling some type of travel. Keeping it together will allow me to propose a new concept. We've already submitted documents for two concessions...one as a face time, and one as a pacific outfitters travel store. What I like about this lease is that it allows us to expand to anything that's on the lease versus being caught in a narrow lease. I'd like you to consider two things: 1) don't put it out to bid and give me an extension for the next seven years. 2) If you go out to bid, leave it as one concession. Allow me to compete with all the big guys that have been beating me up for the last seven years, and if you allow me to do that and if I'm successful, I'll show you that we're a great company.

Mr. John Martin, Airport Director asked Cheryl Nashir if we can put this over.

Ms. Nashir responded yes. I wasn't aware of the concern. This will give us time to do more research.

7. Determination to Proceed with the Plot 700 Project and Authorization to Issue a Request for Qualifications/Proposals for Contract 10060.43, Architecture and Engineering Design Services for Ground Transportation Unit Relocation Project

No. 14-0236	Resolution determining to proceed with the Plot 700 Project, authorizing the Director to implement the Project subject to any required approvals for design, construction, management and financing of the Project, and authorizing the Director to issue a RFQ/P for Contract 10060.43, Architecture and Engineering Design Services for the Ground Transportation Unit (GTU) Relocation Project. This action constitutes the Approval Action for the Plot 700 Project for the purposes of California Environmental Quality Act (CEQA) pursuant to Section 31.04(h) of the S.F. Administrative Code.

8. Authorization to Issue a Request for Proposals for Collection of Delinquent Account Services

No. 14-0237	Resolution authorizing issuance of a Request for Proposals for collection of delinquent account services.

9. Bid Call - Contract 10516 - West Field Garage Top Level Repairs and Coating

No. 14-0238	Resolution approving the scope, budget, and schedule for Contract 10516, West Field Garage Top Level Repairs and Coating, and authorize the Director to call for bids.

10. Lease with Singapore Airlines Ltd. for Exclusive Use Space in Airport Building 710

No. 14-0239	Resolution approving a lease between Singapore Airlines Limited and the SFO for exclusive use space in Airport Building 710.

11. Modification No. 1 to the Funding Agreement, Contract 8858 with the California State Parks Foundation to Address the Manner in Which Certain Wetland Mitigation Credits are Provided and to Extend the Termination Date of the Agreement to December 31, 2017

No. 14-0240	Resolution approving Modification No. 1 to Contract 8858 the funding agreement with the California State Parks Foundation to address the manner in which certain wetland mitigation credits are provided and to extend the termination date of the agreement to December 31, 2017.

* * *

G. NEW BUSINESS:

Discussion only. This is the “Public Comment” section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a “Request to Speak” form located on the table next to the speaker’s microphone and submit it to the Commission Secretary.

Mr. Mark Gruberg said last night there was a massive protest of cab drivers at the Airport. The taxi lots, which hold hundreds of taxis, emptied out. It was a ghost town, and the drivers circled around the Airport. Hundreds of other drivers came from the City and drove around the Airport as a gesture of protest. SF Taxi Workers Alliance spearheaded this but I have to tell you that if we hadn’t done it would have happened anyway. Drivers are furious, they feel betrayed. We know that these ride services have been illegal for the last two years and yet the Airport has rewarded them by inviting them in and allowing them to use their apps when we can't use our own. We understand that their insurance has gaps in it and right now there are vehicles serving the Airport, regardless of whether the app is on or off, that do not have insurance. We understand that these vehicles are out of compliance with the Americans with Disabilities Act, which is a violation of the very permit that you have issued them, and yet those permits are issued. And we have to follow any number of other rules that they don't. They don't even need a permit, they don't need to be inspected, so on and so forth. We've asked to meet with Director Martin, so far we have not received an answer to that request. We want a dialogue, we want to see if this can be worked out in some manner but I have to tell you this is going to go on and it's probably going to get worse. Drivers are that mad. In the words of the union chant ... no justice, no peace. Thank you.

Mr. Tokunbo Solarin said I was here at the last board meeting. I don't want to repeat what my colleague just said. I told you that approving TNC permits would open Pandora's box. I told you about an app called HopStop. They're servicing the Airport ... cabs are coming in from San Jose and San Mateo County using this app to pick up fares without paying any fee. I have some pink copies for the board members.

Mr. Tone Lee said San Francisco Airport is a place of international people. As a government agency please do not mislead the public using all of this undocumented car service at the Airport. Somebody get hurt from abrupt foreigner ... they don't know who is going to be responsible. About the security ... please give a little mercy to San Francisco taxicab drivers and their families. Last night we are united. We have to make a small, short time, very small scale protest. We try to serve the public but in order to protest, we are very little guy. Our income is very, very low now. Please postpone this pilot program. Your standard should be higher than CPUC because you serve international, not only California. California used to be very proud, but look at China and India, we are Asian, we try to make a living, we try to go along with Airport policy. Many aggressive drivers told me that they will do anything they can. They're going to protest. Russian drivers told me they want to block it up with their car and they are ready to be arrested. They raised money for a lawyer. Some Vietnamese driver told me they occupy the whole ramps. African driver don't care, they just sleep on the terminal. Please, we are very little guy, I ask you please stop this pile of crumb until find out anything that cab driver can have a chance to make a living in the City. Today everybody cannot make a good living. Only rich get rich ... not even Uber drivers. They told me they only make $20 a ride after they pay fees. They make $20 a ride for one hour or 1½ leaving the Airport. They don't want to. They know us, they support the cab driver also, they make good money in the City already. We have only a little place left to make money now. Please, Commissioner, you have the power. Taxicab drivers wait for your response because they try to make it weekly, daily or anything that they are going to protest. Thank you.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

SAN FRANCISCO
AIRPORT COMMISSION

MINUTES

December 2, 2014

9:00 A.M.

2/14
2

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
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President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN
Airport Director

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Minutes of the Airport Commission Meeting of
December 2, 2014

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E.		ITEMS INITIATED BY COMMISSIONERS:		4
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	2.	Award 10003.71, Construction Manager/General Contractor Services for the Temporary B/A B and Security Screening Checkpoint Project - Turner Construction Company	14-0243	5-6
	3.	Accept Proposals for Terminal 3 Specialty Retail Store Leases A and B	14-0244	6
	4.	Commence RFP Process for Terminal 3 West Food and Beverage Lease	14-0245	7
	5.	Approve International Terminal G Gate Holdroom Food and Beverage Kiosks Trial	14-0246	7-8
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS;		
	6.	Award Contract 10051.43 - A & E Design Services for South Field Tenant Relocations Project - Joseph Chow & Associates, Inc.	14-0247	8
	7.	Issue RFQ to Establish Pools of Consultants to Provide Airport Management and Financial Consulting Services	14-0248	8-9
	8.	Modification No. 5 to Contract 9024.9 - CM Services for Intn'l Terminal and B/A F Checked Baggage Inspection System Modernization Program, and Intn'l Terminal Baggage Handling System Improvements Project - CAGE Professional Services, Inc.	14-0249	9
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Services for Intn'l Terminal and B/A F Checked Baggage Inspection Modernization Program, and Intn'l Terminal Baggage Handling System Improvements Project - VanDerLande Industries 14-0250 9

H. NEW BUSINESS: 9-10

I. CORRESPONDENCE: 10

J. CLOSED SESSION: 10

K. ADJOURNMENT: 10

AIRPORT COMMISSION MEETING MINUTES
December 2, 2014

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern
Absent:	Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of November 18, 2014 were adopted unanimously.

No. 14-0241

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

1. Resolution of Appreciation for Councilmember Naomi Patridge

No. 14-0242	Resolution of Appreciation for Half Moon Bay City Councilmember Naomi Patridge who served on the SFO Airport/Community Roundtable, including a period as Vice Chairperson. This resolution recognizes and expresses appreciation for Councilwoman Patridge's work on the Roundtable.

Mr. John L. Martin, Airport Director said this resolution honors Half Moon Bay Councilmember Naomi Patridge. She's been on the roundtable for 25 years, by far the longest of anyone on the Roundtable, and always have been a positive, proactive member of that group. We want to recognize her service and I'll present her with this resolution at the Roundtable meeting on Wednesday evening.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: Item No. 2 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

2. Award Contract 10003.71, Construction Manager/General Contractor Services for Temporary Boarding Area B and Security Screening Checkpoint Project - Turner Construction Company - $4,718,483

No. 14-0243	Resolution awarding Contract 10003.71,Construction Manager/General Contractor Services for Temporary B/A B and Security Screening Checkpoint Project, to Turner Construction Co. in the amount of $4,718,483 with a contract duration of five months, and with a corresponding amount in contingency authorization.

Mr. Geoff Neumayr, Deputy, Design & Construction said this item awards Construction Management General Contractor Services for Temporary B/A B and Security Screening Checkpoint in the amount of $4.7 million for services up to four months. The temporary B/A B and Security Checkpoint project is the reconstruction and modification of the existing B/A B to support airline operations during construction of the new B/A B. Contract duration is estimated to be 600 calendar days with a total estimated value of $69.6 million. Two proposals were received ... Turner Construction Company (TCCO) and Skanska USA Builders. Staff reviewed the proposals and determined that both met the minimum qualifications. A four person selection panel was convened to review and score the written proposals. Both proposers were invited and participated in oral interviews, which were also scored by the same evaluation panel. The price was then factored into the scoring and based on the results of technical review, the oral review, and the cost proposal, TCCO was the highest ranked proposer. Staff negotiated the scope of services, contract terms and conditions, and recommends awarding the contract to TCCO in the amount of $4.7 million. The initial award amount includes an amount of $118,000 for programming services, an amount of $2.9 million for management fees for pre-construction and construction services, and an amount of $1.7 million for pre construction trade packages. At the completion of the programming phase, staff will return to the Commission with a recommendation to award the full value of the contract as a tentative guaranteed maximum price. We will periodically update you on the budgeted forecast and identify any significant cost variances, along with recommended mitigation measures. All trade work will be competitively bid in accordance with Section 6.68 of the San Francisco Administrative Code. The City's Contract Monitoring Division approved a 23% Local Business Enterprise subcontracting participation goal for this contract, and Turner Construction is committed to meeting the goal.

Commissioner Mazzola asked if this is the closest bid we've ever had. There is only a 16½ point difference in 1,300 points.

Mr. Neumayr replied this was really close but we kind of expect this because of the quality of the contract. We're seeing this more and more.

Commissioner Mazzola asked what was the difference in the money.

Mr. Neumayr replied I don't know the answer to that, I can get back to you.

Commissioner Mazzola asked if Turner was a big percentage lower than the other company.

Mr. Neumayr said if there were more than a 5% difference in pricing, I would have known that. I don't believe it was more than that but no one brought a disparity to my attention. It was really based on the qualifications.

Item No. 3 was moved by Commissioner Stern and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Authorization to Accept Proposals for the Terminal 3 Specialty Retail Store Leases A and B

No. 14-0244	Resolution approving revised lease specifications, minimum qualifications and proposal requirements, and authorizing staff to accept proposals for the Terminal 3 Specialty Retail Store Leases A and B.

Ms. Cheryl Nashir, Revenue Development Management said this item seeks approval to make certain changes to lease specifications, minimum requirements, and proposal requirements and to accept proposals for the Terminal 3 Specialty Store Leases A and B. This item was before you at the last meeting and after public comment it was held over to this meeting. We have two specialty stores to lease in Terminal 3. One space is a Pacific Outfitters in Hub F. The other is new and currently under renovation in Terminal 3 East. In September you authorized issuance of an RFQ for these spaces and we bundled them together under a single lease. After a pre-proposal meeting and further consideration, we came to you at the last meeting, and we're coming to you today, to make them two separate leases. This change was also requested at the pre-proposal meeting. The other requested changes are to lower the minimum qualification requirement for proposers to have operated or own a business in the last three years that generated an average sales of $350,000 per year instead of $500,000 per year. The last change, and this was again requested at the pre-proposal meeting, is to allow proposers to propose more than concept. This would allow us more choice. They could send in a single proposal for an apparel or jewelry store. We did this successfully in Terminal 2. In response to opposition voiced about splitting the lease into two separate leases, we remain convinced that we're heading on the right course of action. It will broaden competition. We had previously bundled them because we weren't sure the marketplace would respond to these leases if they were separate ... specialty retail is probably the most challenging sale for us. We thought we needed some mass to make it a viable business opportunity. We heard otherwise from the majority of the attendees at the pre-proposal meeting. Item No. 4 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Commence Request for Proposals Process for the Terminal 3 West Food and Beverage Lease

No. 14-0245

Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to issue a Request for Proposals and conduct an informational conference for the Terminal 3 West Food and Beverage Lease.

Ms. Nashir said we're seeking authorization to begin a competitive solicitation process for the Terminal 3 West Food and Beverage Lease. This lease is for space currently operating as a Ghirardelli Candy Store. It is in the frontal gate portion of Terminal 3 near Gates 72-75. The only surrounding food locations are Yankee Pier, Gordon Birsch, and Peet's Coffee & Tea. Ghirardelli has expired and we felt a Grab & Go Market, a Juice Bar, or a Deli operation will be a nice addition in this gate area. This part of Terminal 3 will likely be redeveloped by the Airport commencing in the next 3-5 years. The term, therefore, is shorter than typical at three years with three one-year options exercisable at the Airport's sole discretion. As with all food and beverage leases, rent is the greater of a minimum annual guarantee which is based on the rate per sq. ft. or a tiered percentage rent structure: 6% to $500,000, 8% for sales between $500,000 and $1 million, and 10% for sales above $1 million a year. Current annual rent from Ghirardelli is $160,000. We estimate the first year rent for this new concession will exceed that. We're projecting about $185,000 in rent for the first year from this food and beverage location. We've been conducting outreach in anticipation that we'll be leasing this space as food and beverage, and there's a lot of interest. This is a busy part of Terminal 3, again with two restaurants and coffee. We feel like we're missing a big food category. There's plenty of mass dwelling in holdrooms here, and this is also a transit area between the International Terminal and Terminal 3.

Item No. 5 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

5. Approve International Terminal G Gate Holdroom Food and Beverage Kiosks Trial

No. 14-0246

Resolution authorizing a twelve-month trial of two food and beverage kiosks in the International Terminal G Side Gate Holdrooms to be operated by Andale SFO and Deli-Up Enterprises, LLC.

Ms. Nashir said this item seeks authorization for a twelve month trial of two food and beverage kiosks in the International Terminal Boarding Area G lower level holdrooms. There are currently no concessions in those holdrooms yet passengers dwell down there before boarding international flights. Staff approached the existing food and beverage tenants in International Terminal Boarding Area G about their interest in conducting this test. We'd like to see if the public responds to a food and beverage kiosk in these holdrooms and would it result in incremental sales or would it cannibolize what's happening on the main floor where Duty Free is at the security checkpoint. We selected Boarding Area G because of the higher passenger numbers as compared to Boarding Area A, and we would like to test this before we put out an RFP for a permanent lease of this space. Each kiosk, and they would be located in different lower level holdrooms, would be no more than 150 square feet. They will conform to the Airport's Design Review Committee standards. The tenant will pay 10% of gross revenues to us for the privilege of operating these kiosks and we expect they'll be primarily offering grab and go foods. There won't be an opportunity to cook or prepare foods. If successful, upon conclusion of this trial we will return to share the results and ask permission to begin an RFP process for this new business opportunity.

Commissioner Mazzola asked if the part time vendor gets any points for doing it when the RFP comes out.

Ms. Nashir replied no, we have not included that in our RFP process for concessions in the past.

Commissioner Johns asked who builds out the space.

Ms. Nashir replied the tenant. I'm sorry, I failed to mention that the tenants would be Andale Mexican and Deli Up. Both operate on Boarding Area G.

Commissioner Guggenhime asked how big the space will be.

Ms. Nashir said as big as this room

Mr. Martin said it's twice as big as this room.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 6 through 9, was moved by Commissioner and seconded by Commissioner .

6. Award Contract 10051.43 - Architecture & Engineering Design Services for South Field Tenant Relocations Project - Joseph Chow & Associates, Inc. - $1,059,600

No. 14-0247	Resolution awarding Contract 10051.43, Architecture and Engineering Design Services for the South Field Tenant Relocations Project to Joseph Chow & Associates, Inc., in an amount not to exceed $1,059,600 with a contract duration of 13 months.

7. Authorization to Issue a Request for Qualifications to Establish Several Pools of Consultants to Provide Airport Management and Financial Consulting Services

No. 14-0248	Resolution authorizing issuance of a RFQ to establish several pools of consultants to provide Airport management and financial consulting services on an as-needed basis.

Commissioner Johns asked if this is in addition to what we approved in the past.

Mr. Kevin Kone, Business & Finance Manager, said this is an RFQ process to establish new pools for the Airport. The existing pools will expire in March of 2015 so it's just a refresh of all the different things that we could be doing.

Mr. Martin said we had an RFP for financial advisory services.

Mr. Kone ... which is separate for just the debt financing at the Airport. This will cover all the different parking, hotel, anything that could come up over the next two years and staff could reach into this pool for resources for the Airport.

8. Modification No. 5 to Contract 9024.9 - Construction Management Services for International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and International Terminal Baggage Handling System Improvements Project - CAGE Professional Services, Inc. (dba CAGE, Inc.) - $795,000

No. 14-0249	Resolution approving Modification No. 5 to Contract 9024.9, Construction Management Services for the International Terminal and B/A F Checked Baggage Inspection System Modernization Program and the International Terminal Baggage Handling System Improvements Project with CAGE Professional Services, Inc. (dba CAGE, Inc) to increase the not-to exceed amount by $795,000 for a final total contract amount not to exceed $8,595,000 and increase the contract duration by 9 months for a total contract duration of 51 months.

9. Modification No. 3 to Contract 9024A - Design-Build Services for the International Terminal and Boarding Area F Checked Baggage Inspection Modernization Program, and the International Terminal Baggage Handling System Improvements Project - VanDerLande Industries, Inc. - $730,000

No. 14-0250	Resolution approving Modification No. 3 to Contract 9024A, Design-Build Services for the International Terminal and B/A F Checked Baggage Inspection System Modernization Program and the International Terminal Baggage Handling System Improvements Project with VanDerLande Industries, Inc.,to increase the not-to-exceed amount by $730,000 for a final total contract amount not to exceed $83,868,927 and no change to the contract duration.

* * *

H. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to two (2) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:28 AM.

Jean Caramatti

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

December 16, 2014

9:00 A.M.

16/14

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

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President
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Minutes of the Airport Commission Meeting of
December 16, 2014

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Regular meeting of December 2, 2014	14-0251	4
D.		ITEMS INITIATED BY COMMISSIONERS:		4
E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Award Contract 10506.43 - Automated Passport Control Kiosks - Vancouver Airport Authority		4
	2.	Modification No. 1 to International Terminal Equipment Maintenance & Operating Agreement 12-0064 - San Francisco Terminal Equipment Company, LLC		4-5
	3.	Accept & Expend California Depart. of Water Resources Proposition 84 Integrated Regional Water Management Grant and Enter into Local Project Sponsor Agreement with ABAG for Use and Administration of Grant Funds in Construction of Airport's Recycled Water System	14-0252	5-7
	4.	Terminate for Convenience Contract 8427CA - Design-Build Services for Treatment Plant, Industrial Wastewater Treatment Plant Upgrades Project and Authorization to Issue RFQ/P for Contract 8427C.66, Design-Build Services for Treatment Plant, Industrial Wastewater and Recycled Water Upgrades Project	14-0253	7
	5.	Award Professional Services Contract 9350.9 - Project Management Support Services for the Revenue Enhancement and Customer Hospitality Improvements Project - ABA Global, Inc.	14-0254	7-8
	6.	Award Second Year Permits for the Pop-Up Retail Concession Program in Boarding Area E of Terminal 3 - E. W. Wightman & Co., dba Elizabeth W, and XOX Truffles, Inc.	14-0255 14-0256	8-9
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	7.	Award Contract 8593 - Construction Services for B/A G 400 Hz System Infrastructure Improvements Project - Schembri Construction Co., Inc.	14-0257	9-10

8. Award Professional Services Contract 10050.43 - Architecture and Engineering Design Services for Fire House No. 3 and South Field Checkpoint Relocation Project - Shah Kawasaki/YamaMar Joint Venture 14-0258 10

9. Authorization to Issue RFQ/P Contract 10060.71 Construction Manager/General Contractor Services for Ground Transportation Unit (GTU) Relocation 14-0259 10

10. Adopt Findings and Recommendations of "Guidance for Incorporating Sea Level Rise Into Capital Planning in San Francisco". 14-0260 10

11. Award Professional Services Contract 50005 with Airports Council International to Perform Customer Surveying and Service Benchmarking Associated with Airport Service Quality Program 14-0261 10

12. Authorization to Issue RFQ to Establish As-Needed Pools of Consultants to Provide Professional Services for Communications and Marketing Services 14-0262 10-11

13. Lease Agreement with Swissport Cargo Services, L.P. for Space in West Field Cargo Building 632 and Related Areas on Plot 9 14-0263 11

14. Approval of Wireless Charging Trial - Intel Corp. 14-0264 11

G. NEW BUSINESS: 11

H. CORRESPONDENCE: 11

I. CLOSED SESSION: 11-12
CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION/PROSPECTIVE SETTLEMENT:
People of the State of California v. *FlightCar, Inc.*, et al.,

PENDING LITIGATION:
JRI, Inc. v. *The City and County of San Francisco,* et al.,

Gan Ye and Xiao Yun Zheng v. *The City and County of San Francisco*

J. ADJOURNMENT: 12

AIRPORT COMMISSION MEETING MINUTES
December 16, 2014

A. CALL TO ORDER:
The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern
Absent:	Hon. Larry Mazzola, President

* * *

C. ADOPTION OF MINUTES:
The minutes of the regular meeting of December 2, 2014 were adopted unanimously.

No. 14-0251

* * *

D. ITEMS INITIATED BY COMMISSIONERS:
There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:
Item No. 1 was removed from the calendar without discussion.

1. Award Contract 10506.43 - Automated Passport Control Kiosks - Vancouver Airport Authority (YVRAA) - $2,874,000

Resolution awarding Contract 0506.43 for installation and maintenance of Automated Passport Control (APC) Kiosks in the International Terminal to Vancouver Airport Authority (YVRAA) in an amount not to exceed $2,874,000 for a period of three years with two one-year options exercisable at the sole discretion of the Airport Commission.

Item No. 2 was removed from the calendar without discussion.

2. Modification No. 1 to International Terminal Equipment Maintenance and Operating Agreement 12-0064 - San Francisco Terminal Equipment Company,

LLC - $3,000,000

Resolution approving Modification No. 1 to International Terminal Equipment Maintenance and Operating Agreement 12-0064 with San Francisco Terminal Equipment Company, LLC, to increase patron assistance and document verification services funding by $3,000,000, for a total amount not to exceed $21,000,000 for the remainder of the agreement term, which expires June 30, 2021.

Item Nos. 3 and 4 were called together. The items were moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

3. Authorization to Accept and Expend California Department of Water Resources Proposition 84 Integrated Regional Water Management Grant in the Amount of $750,000 and to Enter into Local Project Sponsor Agreement with the Association of Bay Area Governments for Use and Administration of the Grant Funds in the Construction of the Airport's Recycled Water System

No. 14-0252

Resolution authorizing the Director to accept and expend the California Department of Water Resources Proposition 84 Integrated Regional Water Management Grant in the amount of $750,000 and to enter into a Local Project Sponsor Agreement with the Association of Bay Area Governments (ABAG) for use and administration of the grant funds in construction of the Airport's Recycled Water System.

Mr. Geoff Neumayr, Deputy Director, Design & Construction said two resolutions are being presented to you for your approval. The first seeks authorization to accept and expend funds from the California Department of Water Resources for construction of the Airport's reclaimed water facility. The second is for the termination for convenience of the current design build services for the Industrial Wastewater Treatment Plant and the authorization to issue a RFP/Q for a revised scope for the Industrial Wastewater Treatment Plant.

The first resolution provides for the acceptance of a $750,000 grant from the California Department of Water Resources to assist with the construction of a new reclaimed water facility within the Industrial Wastewater Treatment Plant. This grant will help offset the estimated $5.2 million cost for construction.

The second resolution provides for the termination for convenience of the design build contract for the Industrial Wastewater Treatment Plant and authorizes staff to reissue a RFQ/P for design build services for a revised scope of the Industrial Wastewater Treatment Plant. During programming and design phases additional scope was identified to correct the deteriorated system that was not contemplated within the original scope and budget of the contract. This work included upgrading processes, changing piping throughout the facility and construction of new sledge drawing bids. The original contract was estimated to be $28 million, but with the revised scope it's now estimated to be $50.7 million. The status scope of work will provide for a much more robust system and provide for added redundancy to assure compliance with all requirements mandated under the Airport's permit to operate. Because the revised scope is significantly different than the original contemplated, staff recommends terminating this contract for convenience because it's in our best interest to ensure that the Airport is well served by procuring a qualified and competitive proposal for the expanded scope and provide for cost effective delivery of the treatment plant facility upgrades. Total anticipated expenditures for the current design-build contract is $3.8 million and provides for programming and design services, technical investigation and development of a master plan for the reclaimed water distribution.

All information provided in the services by the current contract will be incorporated in the new competitively procured design-build contract. Staff also recommends issuing a RFQ/P for award of new design-build services for the revised scope for the Industrial Waste Treatment Plant. The scope of work will include the original base scope, the revised scope, as well as the reclaimed water facility, and we will add to that the water distribution system for reclaimed water to the Terminal Complex. The estimated value of this design-build contract is $64 million and an anticipated duration of 36 months. Staff will convene a selection panel to evaluate and score the technical proposals and the oral interviews. Staff will score the cost proposals and add the proposers technical oral interview and cost scores and determine a final ranking for each of the two projects. Staff will negotiate with the highest ranked firm, and failing successful negotiations with the highest ranked proposers, staff will negotiate with the next successful ranked proposers until negotiations are successful. Upon conclusion of successful negotiations staff will return to the Commission with a recommendation to award this contract. Staff will work with the City's Contract Monitoring Division to develop subcontracting participation goals for this contract.

Commissioner Johns asked if SCCI is okay with this termination.

Mr. Neumayr replied that they are. We met with them and they understand that in actuality when they proposed this contract their fees were not really matching with the original scope, so it wasn't beneficial for either party. It's also a benefit to the Airport as well because we consolidated other capital projects and now it will be one contract. This will be much more effective for us. The fact that we're adding the original scope, upgrading the Industrial Waste Treatment Plant, adding the recycled water facility and the distribution system is a benefit to help us expedite these projects and move them forward much quicker.

Mr. Neumayr said that when we got into programming with stakeholders in 2012 there was a different definition of scope. Since then there have been a lot of changes, regulatory requirements, and various needs of the Airport. There have been a lot of discoveries during the programming and design phase with our stakeholders so we had to make a choice at that point to go ahead and stay with this contract, or do we take advantage of the great design that we can utilize and move forward with, but combine projects so that we can be more effective.

Commissioner Johns asked if there are other projects that are merged.

Mr. Neumayr said they are all in the vicinity. This is all new but it's all in the same vicinity of the treatment plants. It's a big complex facility.

4. Terminate for Convenience Contract 8427CA - Design-Build Services for the Mel Leong Treatment Plant, Industrial Wastewater Treatment Plant Upgrades Project and Authorization to Issue a Request for Qualifications/ Proposals for Contract 8427C.66, Design-Build Services for the Mel Leong Treatment Plant, Industrial Wastewater and Recycled Water Upgrades Project

No. 14-0253	Resolution terminating for convenience Contract 8427CA, Design-Build Services for the Mel Leong Treatment Plant, Industrial Wastewater Treatment Plant Upgrades Project and authorizing the Director to issue a RFQ/RFP for Contract 8427C.66, Design-Build Services for the Mel Leong Treatment Plant, Industrial Wastewater and Recycled Water Upgrades Project.

Item No. 5 was moved by Commissioner Stern and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

5. Award Professional Services Contract 9350.9 - Project Management Support Services for the Revenue Enhancement and Customer Hospitality (REACH) Improvements Project - ABA Global, Inc. - ~~$650,000~~ $431,816

No. 14-0254	Resolution awarding Professional Services Contract 9350.9, Project Management Support Services for the REACH Improvements Project, to ABA Global, Inc. with a not-to-exceed amount of ~~$650,000~~ $431,816 for the first year of services and a contract duration of 36 months.

Mr. Neumayr said this item awards Project Management Support Services to ABA Global for the Airport's Phase 1 implementation of the REACH program in the International Terminal for the first year of services in the amount of $431,000. We developed REACH, an acronym for Revenue Enhancement and Customer Hospitality, to provide a framework that guides a design process in developing an exceptional project experience that is uniquely San Francisco with the intended outcome of increasing revenues in food/beverage and concessions. The scope of work provides Project Management Support Services for Design and Construction and support of the REACH program. The scope of services will include planning, stakeholder coordination, and design and construction management. Phase 1 of REACH is to implement initial scopes of work related to enhancing the passenger experience in the International Terminal. This scope will include new restrooms, restroom renovations, modification of existing lighting, new furnishing and workstations, development of re-composure and pre-composure areas, enhance concession areas, and new amenities such as signage, displays, and hydration stations. As ABA Global was the only firm to respond to the RFP, a selection panel was not convened. Staff determined that market conditions, other larger contracting opportunities, and non-traditional construction management scope of services decreased interest in this project. Staff evaluated the proposals and qualifications and found ABA Global's proposal to be satisfactory and met the RFP qualifications. The anticipated value of this contract is $1.3 million with a 36 month duration. Staff will return to the Commission with a recommendation for the full amount of this contract once we fully understand the scope of work after completion of this design phase. CMD has approved a 20% LBE subcontractor participation goal and the contractor is committed to meeting this goal.

Commissioner Crayton asked if we normally do an Engineering estimate.

Mr. Neuymayr replied not in consulting services.

Commissioner Crayton asked if it's unusual that we only received one proposal.

Mr. Neumayr said it's getting more and more difficult to create competition given the fact that there's a lot of work out there. This was also a unique contract that required matching up design services with construction management, so it posed an interesting relationship between architects and construction managers. It's also not a big contract. It's not surprising, it's disappointing.

Commissioner Crayton asked how you ballpark that figure to know if the proposal provides a good number.

Mr. Neumayr said that for project management support services we budget 4% of the estimated construction value of the contract. This is well within that 4%.

Item No. 5 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

6. Award Second Year Permits for the Pop-Up Retail Concession Program in Boarding Area E, Terminal 3 - E. W. Wightman & Co. dba Elizabeth W and XOX Truffles, Inc.

No. 14-0255 No. 14-0256	Resolution approving two awards of the second year permits for the Pop-Up Retail Concession Program in Boarding Area E, Terminal 3, subject to complying with Chapter 12B, Equal Benefits Ordinance, to E.W. Wightman & Co. dba Elizabeth W, and XOX Truffles, Inc.

Mr. Leo Fermin, Chief, Business & Finance Officer said the opening of Boarding Area E featured two pop-up retail spaces which provides opportunities for local small business retailers to showcase their merchandise and give them a chance to see what it's like to operate at the Airport. These pop up spaces are finished for the retailers and enable them to easily market their products on a trial basis at a very low cost. The first year for the first two retailers will end in March, 2015 and we request that you offer one year leases to the next two retailers in the program. After the second round of awards, we will have two retailers remaining on the original list approved by you so we will likely go out with an RFP next year to add more small local retailers to the program. The first lease award is to Elizabeth W which sells quality bath and beauty products made in San Francisco. The second award is to XOX Truffles which creates high quality chocolate products on site in North Beach. I'll be happy to answer any questions.

Commissioner Crayton asked how the finalist is selected and do we go through the process used for other concessions at the Airport, or is it a different process?

Mr. Fermin said we actually did a special outreach. Staff went out to all the different neighborhoods in SF and other communities in the Bay Areas and listed at different retail stores and gave them information about the Airport and about the program. So we actually did site visits to many neighborhood shopping locations and we also advertised in many of the small business associations, and so on. So we did a lot of outreach for this, specifically for this program.

Commissioner Crayton commented great, I like that. And so in essence, these are for people that are already in business, have retail establishments outside.

Mr. Fermin replied yes.

Commissioner Crayton said okay, good.

Mr. Fermin said we wanted to give them a chance to see what it's like to operate at the Airport.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 7, and 9 through 14, was moved by Commissioner and seconded by Commissioner. Item No. 8 was voted on separately. The vote to approve was unanimous.

7. Award Contract 8593 - Construction Services for Boarding Area G 400 Hz System Infrastructure Improvements Project - Schembri Construction Co. - $3,191,944

No. 14-0257	Resolution awarding Contract 8593, Construction Services for the Boarding Area G 400 Hz System Infrastructure Improvements Project to Schembri Construction Co., Inc., in an amount of $3,191,944 with a corresponding contingency and with a contract duration of 365 consecutive calendar days.

Commissioner Guggenhime announced that he had a potential conflict with Item No. 8. Commissioner Johns moved that Commissioner Guggenhime be recused from voting on Item No. 8. Commissioner Stern seconded the motion. The vote to recuse Commissioner Guggenhime was unanimous. Commissioner Guggenhime left the room during the vote. There was no discussion of the item.

Commissioner Johns moved Item No. 8 and Commissioner Stern seconded the motion. The vote to approve Item No. 8 was unanimous.

8. Award Professional Services Contract 10050.43 - Architecture and Engineering Design Services for the Fire House No. 3 and South Field Checkpoint Relocation Project - Shah Kawasaki/YamaMar Joint Venture - $1,786,240

No. 14-0258	Resolution awarding Professional Services Contract No. 10050.43, Architecture and Engineering Design Services for the Fire House No. 3 and South Field Checkpoint Relocation Project to Shah Kawasaki/ YamaMar Joint Venture, in an amount not to exceed $1,786,240 with a contract duration of 25 months.

9. Authorization to Issue RFQ/P for Contract 10060.71 - Construction Manager/ General Contractor Services for Ground Transportation Unit (GTU) Relocation

No. 14-0259	Resolution authorizing the Director to issue a RFQ/P for Contract 10060.71, Construction Manager/ General Contractor Services, Ground Transportation Unit Relocation.

10. Adopt the Findings and Recommendations of the “Guidance for Incorporating Sea Level Rise Into Capital Planning in San Francisco”

No. 14-0260	Resolution adopting the San Francisco Capital Planning Committee document, “Guidance for Incorporating Sea Level Rise into Capital Planning in San Francisco: Assessing Vulnerability and Risk to Support Adaption” and accepting its findings and recommendations.

11. Award Professional Services Contract 50005 with Airports Council International (ACI) to Perform Customer Surveying and Service Benchmarking Associated with the Airport Service Quality Program in an Amount Not-to-Exceed $479,355

No. 14-0261	Resolution awarding Professional Services Contract 50005 with ACI to perform all activities related to participation in Airport Service Quality Survey and Benchmarking program in the not-to-exceed amount of $479,355 for a period of five years.

12. Authorization to Issue a RFQ to Establish As-Needed Pools of Consultants to

Provide Professional Services for Communications and Marketing Services

No. 14-0262	Resolution authorizing the issuance of a RFQ to establish a pool of no more than five firms to provide Communications and Marketing services on an as-needed basis.

13. Lease Agreement with Swissport Cargo Services, L.P. for Space in West Field Cargo Building 632 and Related Areas on Plot 9

No. 14-0263	Resolution approving a lease agreement with Swissport Cargo Services, L.P. for approximately 19,048 square feet of office and warehouse space in West Field Cargo Building 632 and related areas on Plot 9, for a term of three years, with two one-year options to extend the term exercisable by Swissport Cargo, and an initial rent of $438,104.

14. Approval of Wireless Charging Trial

No. 14-0264	Resolution authorizing, on a month-to-month basis up to twelve months, a trial of wireless charging to Intel Corporation, at a minimum rent of $1,000 per location for a not-to-exceed total of eight locations.

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G. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to two (2) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests to speak from the public.

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H. CORRESPONDENCE:

There was no discussion by the Commission.

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I. CLOSED SESSION:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION/ PROSPECTIVE SETTLEMENT

(a) Public comment on all matters pertaining to this agenda item.

(b) Discussion and vote in open session pursuant to the Brown Act (California Government Code §54956.9) and the Sunshine Ordinance (San Francisco

Administrative Code §67.10(d)) on whether to invoke the attorney-client privilege and conduct a closed session to confer with legal counsel. ACTION ITEM.

The Commission went into closed session at 9:25 AM.

(c) [PROSPECTIVE CLOSED SESSION]
CONFERENCE WITH LEGAL COUNSEL regarding pending litigation as plaintiff (Government Code §54956.9, Administrative Code §67.8(a)(3)): *People of the State of California* v. *FlightCar, Incorporated,* et al., California Superior Court, County of Santa Clara Case No. 1-13 CV 251634, filed May 31, 2013; DISCUSSION ONLY.

CONFERENCE WITH LEGAL COUNSEL regarding pending litigation as defendant (Government Code §54956.9, Administrative Code §67.8(a)(3)): *JRI, Inc.* v. *The City and County of San Francisco,* et al., California Superior Court, County of Alameda Case No. HG10520625 filed June 17, 2010 (served Oct. 5, 2012). DISCUSSION ONLY.

CONFERENCE WITH LEGAL COUNSEL regarding pending litigation as defendant (Government Code §54956.9, Administrative Code §67.8(a)(3)): *Gan Ye and Xiao Yun Zheng* v. *The City and County of San Francisco,* et al., United States District Court, Northern District of California, Case No. 3:14-cv-04941-YGR, filed August 13, 2014. DISCUSSION ONLY.

There are no other planned agenda items for the closed session. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in closed session, the Airport Commission may discuss and vote whether to conduct a closed session under the Brown Act (Government Code §54954.2(b)(2) and §54954.5) and the Sunshine Ordinance (Administrative Code §67.11).

(d) [RECONVENE IN OPEN SESSION]

(i) [IF APPLICABLE] Report on action taken in closed session required by the Brown Act (Government Code §54957.1(a)) and the Sunshine Ordinance (San Francisco Administrative Code §67.12(b)).

(ii) Discussion and vote whether to disclose any or all discussions held in closed session (San Francisco Administrative Code §67.12(a)). ACTION ITEM.

The Commission went back into open session at 9:39 AM and voted unanimously not to disclose the nature of the closed session.

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J. ADJOURNMENT:
There being no further calendared business before the Commission the meeting adjourned at 9:40 AM.

Jean Caramatti

Jean Caramatti
Commission Secretary

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